

REFERENCE TITLE: expenditure limit; local revenues; exception

State of Arizona
Senate
Fifty-sixth Legislature
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2024

SCR 1009

Introduced by
Senators Marsh: Alston, Bravo, Burch, Diaz, Fernandez, Gabaldón, Gonzales,
Hernandez, Mendez, Miranda, Sundareshan

A CONCURRENT RESOLUTION

PROPOSING AN AMENDMENT TO THE CONSTITUTION OF ARIZONA; AMENDING ARTICLE IX, SECTION 21, CONSTITUTION OF ARIZONA; RELATING TO EXPENDITURE LIMITATIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it resolved by the Senate of the State of Arizona, the House of
2 Representatives concurring:

3 1. Article IX, section 21, Constitution of Arizona, is proposed to
4 be amended as follows if approved by the voters and on proclamation of the
5 Governor:

6 21. Expenditure limitations for school districts and
7 community college districts

8 Section 21. (1) The economic estimates commission
9 shall determine and publish ~~prior to~~ BEFORE April 1 of each
10 year the expenditure limitation for the following fiscal year
11 for each community college district. The expenditure
12 limitations shall be determined by adjusting the amount of
13 expenditures of local revenues for each such district for
14 fiscal year 1979-1980 to reflect the changes in the student
15 population of each district and the cost of living. The
16 governing board of any community college district shall not
17 authorize expenditures of local revenues in excess of the
18 limitation prescribed in this section, except in the manner
19 provided by law.

20 (2) The economic estimates commission shall determine
21 and publish ~~prior to~~ BEFORE May 1 of each year the aggregate
22 expenditure limitation for all school districts for the
23 following fiscal year. The aggregate expenditure limitation
24 shall be determined by adjusting the total amount of
25 expenditures of local revenues for all school districts for
26 fiscal year 1979-1980 to reflect the changes in student
27 population in the school districts and the cost of living, and
28 multiplying the result by 1.10. The aggregate expenditures of
29 local revenues for all school districts shall not exceed the
30 limitation prescribed in this section, except as provided in
31 subsection (3) of this section.

32 (3) Expenditures in excess of the limitation determined
33 pursuant to subsection (2) of this section may be authorized
34 by the legislature for a single fiscal year, by concurrent
35 resolution, ~~upon~~ ON AN affirmative vote of two-thirds of the
36 membership of each house of the legislature.

37 (4) ~~As used in~~ FOR THE PURPOSES OF this section:

38 (a) "Cost of living" means either:

39 (i) The price of goods and services as measured by the
40 implicit price deflator for the gross national product or its
41 successor as reported by the United States department of
42 commerce, or its successor agency.

43 (ii) A different measure or index of the cost of living
44 adopted at the direction of the legislature, by concurrent

1 resolution, ~~अपण~~ ON AN affirmative vote of two-thirds of the
2 membership of each house of the legislature. Such measure or
3 index shall apply for subsequent fiscal years, except it shall
4 not apply for the fiscal year following the adoption of such
5 measure or index if the measure or index is adopted after
6 March 1 of the preceding fiscal year.

7 (b) "Expenditure" means any amounts budgeted to be paid
8 from local revenues as prescribed by law.

9 (c) "Local revenues" includes all monies, revenues,
10 funds, property and receipts of any kind whatsoever received
11 by or for the account of a school district or community
12 college district or any of its agencies, departments, offices,
13 boards, commissions, authorities, councils and institutions,
14 except:

15 (i) Any amounts or property received from the issuance
16 or incurrence of bonds, or other lawful long-term obligations
17 issued or incurred for a specific purpose, or any amounts or
18 property collected or segregated to make payments or deposits
19 required by a contract concerning such bonds or
20 obligations. For the ~~purpose~~ PURPOSES of this subdivision
21 long-term obligations shall not include warrants issued in the
22 ordinary course of operation or registered for payment by a
23 political subdivision.

24 (ii) Any amounts or property received as payment of
25 dividends and interest, or any gain on the sale or redemption
26 of investment securities, the purchase of which is authorized
27 by law.

28 (iii) Any amounts or property received by a school
29 district or community college district in the capacity of
30 trustee, custodian or agent.

31 (iv) Any amounts received as grants and aid of any type
32 received from the federal government or any of its agencies
33 except school assistance in federally affected areas.

34 (v) Any amounts or property received as grants, gifts,
35 aid or contributions of any type except amounts received
36 directly or indirectly in lieu of taxes received directly or
37 indirectly from any private agency or organization, or any
38 individual.

39 (vi) Any amounts received from ~~the~~ THIS state for the
40 purpose of purchasing land, buildings or improvements or
41 constructing buildings or improvements.

42 (vii) Any amounts received pursuant to a transfer
43 during a fiscal year from another agency, department, office,
44 board, commission, authority, council or institution of the

1 same community college district or school district ~~which~~ THAT
2 were included as local revenues for such fiscal year or ~~which~~
3 THAT are excluded from local revenue under other provisions of
4 this subsection.

5 (viii) Any amounts or property accumulated by a
6 community college district for the purpose of purchasing land,
7 buildings or improvements or constructing buildings or
8 improvements.

9 (ix) Any amounts received in return for goods or
10 services pursuant to a contract with another political
11 subdivision, school district, community college district or
12 ~~the~~ THIS state and expended by the other political
13 subdivision, school district, community college district or
14 ~~the~~ THIS state pursuant to the expenditure limitation in
15 effect when the amounts are expended by the other political
16 subdivision, school district, community college district or
17 ~~the~~ THIS state.

18 (x) Any amounts received as tuition or fees directly or
19 indirectly from any public or private agency or organization
20 or any individual.

21 (xi) Any ad valorem taxes received pursuant to an
22 election to exceed the limitation prescribed by section 19 of
23 this article or for the purposes of funding expenditures in
24 excess of the expenditure limitations prescribed by subsection
25 (7) of this section.

26 (xii) Any amounts received during a fiscal year as
27 refunds, reimbursements or other recoveries of amounts
28 expended ~~which~~ THAT were applied against the expenditure
29 limitation for such fiscal year or which were excluded from
30 local revenues under other provisions of this subsection.

31 (d) For the purpose of subsection (2) of this section,
32 the following items are also excluded from local revenues of
33 school districts:

34 (i) Any amounts received as the proceeds from the sale,
35 lease or rental FOR ANY PERIOD OF TIME of school property as
36 authorized by law.

37 (ii) Any amounts received from the capital levy as
38 authorized by law.

39 (iii) Any amounts received from the acquisition,
40 operation, or maintenance of school services of a commercial
41 nature ~~which~~ THAT are entirely or predominantly
42 self-supporting.

1 (iv) Any amounts received for the purpose of funding
2 expenditures authorized in the event of destruction of or
3 damage to the facilities of a school district as authorized by
4 law.

5 (v) Any revenues derived from an additional state
6 transaction privilege tax rate increment for educational
7 purposes ~~that was authorized by the voters before January 1,~~
8 ~~2001.~~

9 (vi) Any amounts received pursuant to article XI,
10 section 8, Constitution of Arizona, that are approved by the
11 majority of qualified voters at a statewide general election
12 held after November 1, 2002, and before January 1, 2003.

13 (e) "Student population" means the number of actual,
14 full-time or the equivalent of actual full-time students
15 enrolled in the school district or community college district
16 determined in a manner prescribed by law.

17 (5) The economic estimates commission shall adjust the
18 amount of expenditures of local revenues in fiscal year
19 1979-1980, as used to determine the expenditure limitation
20 pursuant to subsection (1) or (2) of this section, to reflect
21 subsequent transfers of all or any part of the cost of
22 providing a governmental function, in a manner prescribed by
23 law. The adjustment provided for in this subsection shall be
24 used in determining the expenditure limitation pursuant to
25 subsection (1) or (2) of this section beginning with the
26 fiscal year immediately following the transfer.

27 (6) The economic estimates commission shall adjust the
28 amount of expenditures of local revenues in fiscal year
29 1979-1980, as used to determine the expenditure limitation of
30 a community college district pursuant to subsection (1) of
31 this section, to reflect any subsequent annexation, creation
32 of a new district, consolidation or change in the boundaries
33 of a district, in a manner prescribed by law. The adjustment
34 provided for in this subsection shall be used in determining
35 the expenditure limitation pursuant to subsection (1) of this
36 section beginning with the fiscal year immediately following
37 the annexation, creation of a new district, consolidation or
38 change in the boundaries of a district.

39 (7) The legislature shall establish by law expenditure
40 limitations for each school district ~~beginning with the fiscal~~
41 ~~year beginning July 1, 1980.~~ Expenditures by a school
42 district in excess of such an expenditure limitation must be
43 approved by a majority of the electors voting on the excess
44 expenditures.

1 (8) The legislature shall establish by law a uniform
2 reporting system for school districts and community college
3 districts to ensure compliance with this section. The
4 legislature shall establish by law sanctions and penalties for
5 failure to comply with this section.

6 2. The Secretary of State shall submit this proposition to the
7 voters at the next general election as provided by article XXI,
8 Constitution of Arizona.