

House Engrossed

truth in taxation; bonds; notices

State of Arizona  
House of Representatives  
Fifty-seventh Legislature  
First Regular Session  
2025

# HOUSE BILL 2515

AN ACT

AMENDING SECTIONS 15-481, 15-491, 15-905.01, 15-1461.01, 35-454, 41-1276,  
42-17107 AND 48-254, ARIZONA REVISED STATUTES; RELATING TO TAXATION.

(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 allowed 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 before the election, shall transmit the informational  
32 pamphlet and the sample ballot to the governing board of the school  
33 district. The governing board, on receipt of the informational pamphlet  
34 and the ballot, shall mail or distribute the informational pamphlet and  
35 the ballot to the households in which qualified electors reside within the  
36 school district at least thirty-five days before the election. Any  
37 distribution of material concerning the proposed increase in the budget  
38 shall not be conducted by children enrolled in the school district. The  
39 informational pamphlet shall contain the following information:

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

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

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

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

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

20       9. At least two arguments, if submitted, but not more than ten  
21 arguments for and two arguments, if submitted, but not more than ten  
22 arguments against the proposed increase in the budget. The arguments  
23 shall be in a form prescribed by the county school superintendent, and  
24 each argument shall not exceed two hundred words. Arguments for the  
25 proposed increase in the budget shall be provided in writing and signed by  
26 the governing board. The ballot arguments for the proposed increase in  
27 the budget shall be signed as the governing board of the school district  
28 without listing any member's individual name for the arguments for the  
29 proposed increase. If submitted, additional arguments in favor of the  
30 proposed increase in the budget shall be provided in writing with a  
31 signed, sworn statement by those in favor. Arguments against the proposed  
32 increase in the budget shall be provided in writing with a signed, sworn  
33 statement by those in opposition. If the argument is submitted by an  
34 organization, it shall contain the sworn statement of two executive  
35 officers of the organization. If the argument is submitted by a political  
36 committee, it shall contain the sworn statement of the committee's  
37 chairperson or treasurer. If the argument is submitted by an individual  
38 and not on behalf of an organization, a political committee or any other  
39 group, the ~~person~~ INDIVIDUAL shall submit the argument with a sworn,  
40 notarized statement. The names of persons and entities submitting written  
41 arguments shall be included in the informational pamphlet. Persons  
42 signing the argument shall identify themselves by giving their residence  
43 address and telephone number, which may not appear in the informational  
44 pamphlet, except that the person's city or town and state of residence  
45 shall appear in the pamphlet. Any argument that is submitted and that

1 does not comply with this paragraph may not be included in the pamphlet.  
2 The county school superintendent shall review all factual statements  
3 contained in the written arguments and correct any inaccurate statements  
4 of fact. The superintendent shall not review and correct any portion of  
5 the written arguments that are identified as statements of the author's  
6 opinion. The county school superintendent shall make the written  
7 arguments available to the public as provided in title 39, chapter 1,  
8 article 2. A deadline for submitting arguments to be included in the  
9 informational pamphlet shall be set by the county school superintendent.

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

13 11. The current limited property value and the net assessed  
14 valuation provided by the department of revenue, the first year tax rate  
15 for the proposed override and the estimated amount of the secondary  
16 property taxes if the proposed budget is adopted for each of the  
17 following:

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

22 (b) An owner-occupied residence whose assessed valuation is  
23 one-half of the assessed valuation of the residence in subdivision (a) of  
24 this paragraph.

25 (c) An owner-occupied residence whose assessed valuation is twice  
26 the assessed valuation of the residence in subdivision (a) of this  
27 paragraph.

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

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

34 (a) An executive summary of the school district's most recent  
35 capital improvement plan submitted to the school facilities oversight  
36 board.

37 (b) A complete list of each proposed capital improvement that will  
38 be funded with the budget increase and a description of the proposed cost  
39 of each improvement, including a separate aggregation of capital  
40 improvements for administrative purposes as defined by the school  
41 facilities oversight board.

42 (c) The tax rate associated with each of the proposed capital  
43 improvements and the estimated cost of each capital improvement for the  
44 owner of a single family home that is valued at ~~\$80,000~~ \$100,000  
45 AND \$400,000.

1 C. For the purpose of this section, the school district may use its  
2 staff, equipment, materials, buildings or other resources only to  
3 distribute the informational pamphlet at the school district office or at  
4 public hearings and to produce such information as required in subsection  
5 B of this section. This subsection does not preclude school districts  
6 from holding or participating in any public hearings at which testimony is  
7 given by at least one person for the proposed increase and one person  
8 against the proposed increase. Any written information provided by the  
9 district pertaining to the override election shall include financial  
10 information showing the estimated first year tax rate for the proposed  
11 budget override amount.

12 D. If any amount of the proposed increase will be funded by a levy  
13 of taxes in the district, the election prescribed in subsection A of this  
14 section shall be held on the first Tuesday following the first Monday in  
15 November as prescribed by section 16-204, subsection F. If the proposed  
16 increase will be fully funded by revenues from other than a levy of taxes,  
17 the elections prescribed in subsection A of this section shall be held on  
18 any date prescribed by section 16-204. The elections shall be conducted  
19 as nearly as practicable in the manner prescribed in article 1 of this  
20 chapter, sections 15-422, through 15-423, 15-424 and ~~section~~ 15-426,  
21 relating to special elections, except that:

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

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

26 E. If the election is to exceed the revenue control limit and if  
27 the proposed increase will be fully funded by a levy of taxes on the  
28 taxable property within the school district, the ballot shall contain the  
29 words "budget increase, yes" and "budget increase, no", and the voter  
30 shall signify the voter's desired choice. The ballot shall also contain  
31 the amount of the proposed increase of the proposed budget over the  
32 alternate budget, a statement that the amount of the proposed increase  
33 will be based on a percentage of the school district's revenue control  
34 limit in future years, if applicable, as provided in subsection P of this  
35 section and the 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 for 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 revenue  
4 control limit allowed by law.

5 F. If the election is to exceed the revenue control limit and if  
6 the proposed increase will be fully funded by revenues from other than a  
7 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.  
10 The ballot shall also contain:

11 1. The amount of the proposed increase of the proposed budget over  
12 the alternate budget.

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

16 3. The following statement:

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

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

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

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

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

5 (i)

6	Small School	Support Level Weight		Phase Down
7	Student	for Small Isolated		Reduction
8	<u>Count</u>	<u>School Districts</u>	<u>Base Level</u>	<u>Factor</u>
9	_____ - <u>125</u>	x 1.358 + (0.0005 x	x \$ _____	= \$ _____
10		(500 - Student Count))		
11			Small Isolated	
12	Phase Down	Phase Down	School District	
13	<u>Base</u>	<u>Reduction Factor</u>	<u>Elementary Limit</u>	
14	\$150,000 - \$ _____		= \$ _____	

15 (ii)

16	Small School	Support Level Weight		Phase Down
17	Student	for Small		Reduction
18	<u>Count</u>	<u>School Districts</u>	<u>Base Level</u>	<u>Factor</u>
19	_____ - <u>125</u>	x 1.278 + (0.0003 x	x \$ _____	= \$ _____
20		(500 - Student Count))		
21			Small	
22	Phase Down	Phase Down	School District	
23	<u>Base</u>	<u>Reduction Factor</u>	<u>Elementary Limit</u>	
24	\$150,000 - \$ _____		= \$ _____	

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

29 (i)

30	Small School	Support Level Weight		Phase Down
31	Student	for Small Isolated		Reduction
32	<u>Count</u>	<u>School Districts</u>	<u>Base Level</u>	<u>Factor</u>
33	_____ - <u>100</u>	x 1.468 + (0.0005 x	x \$ _____	= \$ _____
34		(500 - Student Count))		
35			Small Isolated	
36	Phase Down	Phase Down	District	
37	<u>Base</u>	<u>Reduction Factor</u>	<u>Secondary Limit</u>	
38	\$350,000 - \$ _____		= \$ _____	

39 (ii)

40	Small School	Support Level Weight		Phase Down
41	Student	for Small		Reduction
42	<u>Count</u>	<u>School Districts</u>	<u>Base Level</u>	<u>Factor</u>
43	_____ - <u>100</u>	x 1.398 + (0.0004 x	x \$ _____	= \$ _____
44		(500 - Student Count))		

1				Small
2	Phase Down	Phase Down		School District
3	<u>Base</u>	<u>Reduction Factor</u>		<u>Secondary Limit</u>
4	\$350,000	- \$	= \$	

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

8 (d) If only subdivision (a) or (b) of this paragraph applies to a  
9 unified school district, the district's limit for the purposes of this  
10 paragraph is the sum of the limit computed as provided in subdivision (a)  
11 or (b) of this paragraph plus ten percent of the revenue control limit  
12 attributable to those grade levels that do not meet the eligibility  
13 requirements of this subsection. If a school district budgets monies  
14 outside the revenue control limit pursuant to section 15-949, subsection  
15 E, the district's limit for the purposes of this paragraph is only the ten  
16 percent of the revenue control limit attributable to those grade levels  
17 that are not included under section 15-949, subsection E. For the  
18 purposes of this subdivision, the revenue control limit is separated into  
19 elementary and secondary components based on the weighted student count as  
20 provided in section 15-971, subsection B, paragraph 2, subdivision (a).

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

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

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

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

41 Any budget increase authorized by this election shall be  
42 entirely funded by a levy of taxes on the taxable property  
43 within this school district for the year for which adopted and  
44 for \_\_\_\_\_ subsequent years, shall not be realized from monies  
45 furnished by the state and shall not be subject to the



1 limitation on taxes specified in article IX, section 18,  
2 Constitution of Arizona. Based on the current net assessed  
3 valuation used for secondary property tax purposes, to fund  
4 the proposed increase in the school district's budget that  
5 will be funded by a levy of taxes on the taxable property  
6 within this school district would require an estimated tax  
7 rate of \$\_\_\_\_\_ per \$100 of net assessed valuation used  
8 for secondary property tax purposes and is in addition to the  
9 school district's tax rate that will be levied to fund the  
10 school district's revenue control limit allowed by law.

11 J. 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 revenues other than a levy of taxes on the taxable property  
14 within the school district, the ballot shall contain the words "budget  
15 increase, yes" and "budget increase, no", and the voter shall signify the  
16 voter's desired choice. The ballot shall also contain the amount of the  
17 proposed increase of the proposed budget over the alternate budget, a  
18 statement that the amount of the proposed increase will be based on a  
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 this school district with revenues from  
24 other than a levy of taxes on the taxable property within the  
25 school district for the year for which adopted and for \_\_\_\_\_  
26 subsequent years and shall not be realized from monies  
27 furnished by the state.

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

1 L. If the election is to exceed district additional assistance and  
2 if the proposed increase will be fully funded by a levy of taxes on the  
3 taxable property within the school district, the ballot shall contain the  
4 words "budget increase, yes" and "budget increase, no", and the voter  
5 shall signify the voter's desired choice. An election held pursuant to  
6 this subsection shall be held on the first Tuesday after the first Monday  
7 of November. The ballot shall also contain the amount of the proposed  
8 increase of the proposed budget over the alternate budget and the  
9 following statement:

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

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

33 Any budget increase authorized by this election shall be  
34 entirely funded by this school district with revenues from  
35 other than a levy of taxes on the taxable property within the  
36 school district for the year in which adopted and for \_\_\_\_\_  
37 subsequent years and shall not be realized from monies  
38 furnished by the state.

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

1       0. If the election provides for a levy of taxes on the taxable  
2 property within the school district, at least thirty days before the  
3 election, the department of revenue shall provide the school district  
4 governing board and the county school superintendent with the current net  
5 assessed valuation of the school district. The governing board and the  
6 county school superintendent shall use the current net assessed valuation  
7 of the school district to translate the amount of the proposed dollar  
8 increase in the budget of the school district over that allowed by law  
9 into a tax rate figure.

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

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

40       2. Is for five years or more, the proposed increase is equal to the  
41 initial proposed percentage increase in the following years of the  
42 proposed increase, except that in the next to last year it is two-thirds  
43 of the initial proposed percentage increase and it is one-third of the  
44 initial proposed percentage increase in the last year of the proposed  
45 increase.

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

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

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

37       R. If the voters in a school district vote to adopt a budget in  
38 excess of district additional assistance as provided in subsection L of  
39 this section, any additional increase shall be included in the aggregate  
40 budget limit for each of the years authorized. The additional increase  
41 shall be excluded from the determination of equalization assistance. The  
42 school district governing board, however, may levy on the net assessed  
43 valuation used for secondary property tax purposes of the property in the  
44 school district the additional increase for the period authorized but not  
45 to exceed ten years. For overrides approved by a vote of the qualified

1 electors of the school district at an election held from and after  
2 October 31, 1998, the period of the additional increase prescribed in this  
3 subsection shall not exceed seven years for any capital override election.

4       S. If the voters in a school district vote to adopt a budget in  
5 excess of district additional assistance as provided in subsection M of  
6 this section, any additional increase shall be included in the aggregate  
7 budget limit for each of the years authorized. The additional increase  
8 shall be excluded from the determination of equalization assistance. The  
9 school district governing board may only use revenues derived from the  
10 school district's prior year's maintenance and operation fund ending cash  
11 balance and capital outlay fund ending cash balance to fund the additional  
12 increase for the period authorized but not to exceed ten years. For  
13 overrides approved by a vote of the qualified electors of the school  
14 district at an election held from and after October 31, 1998, the period  
15 of the additional increase prescribed in this subsection shall not exceed  
16 seven years for any capital override election.

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

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

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

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

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

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

41               \_\_\_\_\_ school district is proposing to increase its  
42               budget by \$\_\_\_\_\_ to fund capital improvements over and  
43               above those funded by the state. Under the students first  
44               capital funding system, \_\_\_\_\_ school district is entitled

1 to state monies for new construction and renovation of school  
2 buildings in accordance with state law.

3 2. The ballot shall contain the words "budget increase, yes" and  
4 "budget increase, no", and the voter shall signify the voter's desired  
5 choice.

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

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

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

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

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

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

1 request an additional budget in excess of district additional assistance.  
2 If the voters in a school district authorize the additional budget in  
3 excess of district additional assistance, the existing district additional  
4 assistance budget increase remains in effect.

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

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

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

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

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

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

17 15-491. Elections on school property; exceptions

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

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

23 2. To purchase or sell school sites or buildings or sell school  
24 sites pursuant to section 15-342 or to build school buildings, but the  
25 authorization by vote of the school district shall not necessarily specify  
26 the site to be purchased.

27 3. To decide whether the bonds of the school district shall be  
28 issued and sold for the purpose of raising monies for purchasing or  
29 leasing school lots, for building or renovating school buildings, for  
30 supplying school buildings with furniture, equipment and technology, for  
31 improving school grounds, for purchasing pupil transportation vehicles or  
32 for liquidating any indebtedness already incurred for such purposes.  
33 Bonds issued for furniture, equipment and technology, other than fixtures,  
34 shall mature not later than the July 1 that follows the fifth year after  
35 the bonds were issued. A school district shall not issue class B bonds  
36 until the school district has obligated in contract the entire proceeds of  
37 any class A bonds issued by the school district. The total amount of  
38 class A and class B bonds issued by a school district shall not exceed the  
39 debt limitations prescribed in article IX, sections 8 and 8.1,  
40 Constitution of Arizona.

41 4. To lease for twenty or more years, as lessor or as lessee,  
42 school buildings or grounds. Approval by a majority of the school  
43 district electors voting authorizes the governing board to negotiate for  
44 and enter into a lease. The ballot shall list the school buildings or  
45 grounds for which a lease is sought. If the governing board does not



1 enter into a lease of twenty or more years of the school buildings or  
2 grounds listed on the ballot within twenty years after the date of the  
3 election and the board continues to seek such a lease, the governing board  
4 shall call a special election to reauthorize the board to negotiate for  
5 and to enter into a lease of twenty or more years.

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

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

12 B. A petition is not required for holding the first election to be  
13 held in a joint common school district for any of the purposes specified  
14 in subsection A of this section. The certification of election results  
15 required by section 15-493 shall be made to the board of supervisors of  
16 the jurisdictional county.

17 C. When the election is called to determine whether or not bonds of  
18 the school district shall be issued and sold for the purposes enumerated  
19 in the call for the election, the question shall be submitted to the vote  
20 of the qualified electors of the school district as defined in section  
21 15-401 and subject to section 15-402.

22 D. The governing board shall order the election to be held and the  
23 election notice and procedures to be conducted in the manner prescribed in  
24 title 35, chapter 3, article 3. If a petition for an election has been  
25 filed with the governing board as provided in subsection A of this  
26 section, the board shall act on the petition within sixty days by ordering  
27 the election to be held as provided in this subsection. If a school  
28 district bond election is scheduled for the same date a school district  
29 will hold an override election, the governing body shall deliver a copy of  
30 the notice of election and ballot to the county school superintendent who  
31 shall include the notice of election and ballot with the informational  
32 pamphlet and ballot prepared for the override election. Mailing of the  
33 information required for both the override and bond elections shall  
34 constitute compliance with the notice provisions of this section.

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

41 F. Subsection A, paragraph 2 of this section does not apply to the  
42 sale of school property if the market value of the school property is less  
43 than \$50,000.

44 G. Bond counsel fees, financial advisory fees, printing costs and  
45 paying agent and registrar fees for bonds issued pursuant to an election

1 under this section shall be paid from either the amount authorized by the  
2 qualified electors of the school district or current operating funds.  
3 Bond election expenses shall be paid from current operating funds only.

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

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

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

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

17 2. For a school district that is a career technical education  
18 district, the ballot shall include the following statement:

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

24 3. The ballot shall conform to the requirements of title 35,  
25 chapter 3, article 3.

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

38 5. Not later than thirty-five days before a class B bond election  
39 conducted pursuant to this section, the school district shall mail an  
40 informational pamphlet prepared by the county school superintendent to  
41 each household that contains a qualified elector in the school  
42 district. The informational pamphlet shall contain, at a minimum, the  
43 following information:

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

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

6 (c) The tax rate associated with each of the proposed capital  
7 improvements and the estimated cost of each capital improvement for the  
8 owner of a single family home that is valued at \$100,000 AND \$400,000.

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

11 1. The ballot shall include the following statement:

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

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

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

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

34 4. Not later than thirty-five days before an impact aid revenue  
35 bond election conducted pursuant to this section, the school district  
36 shall mail an informational pamphlet prepared by the county school  
37 superintendent to each household that contains a qualified elector in the  
38 school district. The informational pamphlet shall contain, at a minimum,  
39 the following information:

40 (a) The date of the election.

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

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

44 (d) A complete list of each proposed capital improvement that will  
45 be funded with the proceeds of the bonds and a description of the proposed

1 cost of each improvement, including a separate aggregation of capital  
2 improvements for administrative purposes as defined by the school  
3 facilities oversight board.

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

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

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

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

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

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

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

41 2. Not later than thirty-five days before the election, the school  
42 district shall mail an informational pamphlet prepared by the county  
43 school superintendent to each household in the school district that  
44 contains a qualified elector. The informational pamphlet shall contain,  
45 at a minimum, the following information:

- 1 (a) The date of the election.
- 2 (b) The voter's polling place and the times it is open.
- 3 (c) A statement as to why the election was called.
- 4 (d) A complete list of each proposed capital improvement that is in  
5 addition to the initial capital improvements presented in the  
6 informational pamphlet when the bonds were approved and the proposed cost  
7 of each improvement, including a separate aggregation of capital  
8 improvements for administrative purposes as defined by the school  
9 facilities oversight board.
- 10 (e) A complete list of each capital improvement that was presented  
11 in the informational pamphlet when the bonds were initially approved and  
12 that is proposed to be eliminated or to have its cost reduced, and the  
13 proposed cost of each improvement, including a separate aggregation of  
14 capital improvements for administrative purposes as defined by the school  
15 facilities oversight board.
- 16 (f) Arguments for and against the proposed change, if submitted, as  
17 provided by section 15-481, subsection B, paragraph 9. The ballot  
18 arguments for the proposed change shall be signed as the governing board  
19 of the school district without listing any member's individual name for  
20 the arguments for the proposed change.
- 21 3. The ballot shall contain the words "change capital improvements,  
22 yes" and "change capital improvements, no", and the voter shall signify  
23 the voter's desired choice.
- 24 4. If the election is to add a purpose that was not on the initial  
25 ballot, the ballot shall list the purpose that is proposed to be added.
- 26 M. If an election is held to extend the time to issue bonds  
27 pursuant to subsection A, paragraph 6 of this section, the following  
28 requirements apply:
  - 29 1. The election may be held only on the first Tuesday after the  
30 first Monday in November.
  - 31 2. Not later than thirty-five days before the election, the school  
32 district shall mail an informational pamphlet prepared by the county  
33 school superintendent to each household in the school district that  
34 contains a qualified elector. The informational pamphlet shall contain,  
35 at a minimum, the following information:
    - 36 (a) The date of the election.
    - 37 (b) The voter's polling place and the times it is open.
    - 38 (c) A statement as to why the election was called.
    - 39 (d) Arguments for and against the proposed change, if submitted, as  
40 provided in section 15-481, subsection B, paragraph 9. The ballot  
41 arguments for the proposed change shall be signed as the governing board  
42 of the school district without listing any member's individual name for  
43 the arguments for the proposed change.

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

4       Sec. 3.   Section 15-905.01, Arizona Revised Statutes, is amended to  
5 read:

6 15-905.01. Truth in taxation; calculation; notice and  
7 hearing; vote on tax increase

8           A. Each school district shall determine its truth in taxation base  
9 limit for expenditures as follows:

10 1. Determine the amounts budgeted in fiscal year 1999-2000 for  
11 expenditures in the following categories:

12 (a) Desegregation pursuant to section 15-910.

13 (b) Dropout prevention programs.

14 (c) Career and technical education and vocational education center  
15 operations pursuant to section 15-910.01.

16 (d) Small school adjustments pursuant to section 15-949.

17           2. The sum of the expenditures in paragraph 1 of this subsection  
18 for fiscal year 1999-2000 shall become the truth in taxation base limit.

3. For any year after fiscal year 1999-2000, a school district whose aggregate budgeted expenditures for the expenditures prescribed in paragraph 1 of this subsection exceed the truth in taxation base limit shall publish a truth in taxation hearing notice that meets the requirements of subsection B of this section. If the amount exceeding the previous truth in taxation base limit is approved by the school district governing board following the hearing prescribed in subsection B of this section, the excess amount plus the previous truth in taxation base limit becomes the school district's new truth in taxation base limit.

28           4. If a school district no longer qualifies for one or more of the  
29 expenditures prescribed in paragraph 1 of this subsection, the amount  
30 budgeted for the most recent fiscal year in which the school district was  
31 eligible for that expenditure shall be deducted from the school district's  
32 truth in taxation base limit.

33 B. For any fiscal year in which a school district governing board  
34 budgets an amount that is higher than the truth in taxation base limit  
35 calculated pursuant to subsection A of this section, any fiscal year in  
36 which a school district levies any amount for adjacent ways pursuant to  
37 section 15-995 or any fiscal year in which the school district levies any  
38 amount for liabilities in excess of the school district budget pursuant to  
39 section 15-907:

40       1. The school district shall publish a notice that meets the  
41 following requirements:

42 (a) The notice shall be published once in a newspaper of general  
43 circulation in the school district. The publication shall be at least ten  
44 but not more than twenty days before the date of the hearing.

1 (b) The notice shall be published in a location other than the  
2 classified or legal advertising section of the newspaper in which it is  
3 published.

4 (c) The notice shall be at least one-fourth page in size and shall  
5 be surrounded by a solid black border at least one-eighth inch in width.

6 (d) The notice shall be in the following form, excluding the  
7 parenthetical explanations, and with the "truth in taxation  
8 hearing - notice of tax increase" headline in at least eighteen-point  
9 type:

10 Truth in Taxation Hearing

11 Notice of Tax Increase

12 In compliance with section 15-905.01, Arizona Revised  
13 Statutes, \_\_\_\_\_ school district is notifying its property  
14 taxpayers of \_\_\_\_\_ school district's intention to raise  
15 its primary property taxes over the current level to pay for  
16 increased expenditures in those areas where the governing  
17 board has the authority to increase property taxes for the  
18 fiscal year beginning July 1, \_\_\_\_\_. The \_\_\_\_\_ school  
19 district is proposing an increase in its primary property tax  
20 levy of \$\_\_\_\_\_ (amount of levy increase to pay for truth  
21 in taxation base increase, the amount of the total levy for  
22 the adjacent ways fund and amounts for liabilities in excess  
23 of the school district budget pursuant to section 15-907).

24 The amount proposed above will cause \_\_\_\_\_ school  
25 district's primary property taxes on a \$100,000 AND \$400,000  
26 home to be \$\_\_\_\_\_ AND \$\_\_\_\_\_, RESPECTIVELY (the amount  
27 used to pay for the budget year's proposed truth in taxation  
28 base limit and adjacent ways levy, including adjacent ways and  
29 liabilities in excess of the school district budget [the  
30 amount divided by the current net assessed value available  
31 February 10 pursuant to section 42-17052] applied to \$100,000  
32 AND \$400,000). Without the tax increase, the total taxes that  
33 would be owed would have been \$\_\_\_\_\_ AND \$\_\_\_\_\_,  
34 RESPECTIVELY (the amount used to pay for the current year's  
35 truth in taxation base limit [the amount divided by the  
36 current net assessed value available February 10 pursuant to  
37 section 42-17052] applied to \$100,000 AND \$400,000).

38 These amounts proposed are above the qualifying tax  
39 levies as prescribed by state law, if applicable. The  
40 increase is also exclusive of any changes that may occur from  
41 property tax levies for voter approved bonded indebtedness or  
42 budget and tax overrides.

43 All interested citizens are invited to attend the public  
44 hearing on the proposed tax increase scheduled to be held  
45 (date and time) at (location).

1        2. In lieu of publishing the truth in taxation notice, the  
2 governing board may mail the truth in taxation notice prescribed by  
3 paragraph 1, subdivision (d) of this subsection to all registered voters  
4 in the district at least ten but not more than twenty days before the date  
5 of the hearing.

6        3. In addition to publishing the truth in taxation notice under  
7 paragraph 1 of this subsection or mailing the notice under paragraph 2 of  
8 this subsection, the governing board shall issue a press release  
9 containing the truth in taxation notice to all newspapers of general  
10 circulation in the school district.

11       4. The governing board shall consider a motion to levy the  
12 increased property taxes by roll call vote.

13       5. Within three days after the hearing, the governing board shall  
14 mail a copy of the truth in taxation notice, a statement of its  
15 publication or mailing and the result of the governing board's vote under  
16 paragraph 4 of this subsection to the property tax oversight commission  
17 established by section 42-17002.

18       6. The governing board shall hold the truth in taxation hearing on  
19 or before the adoption of the school district budget under section 15-905.

20       7. Expenditures for adjacent ways and liabilities in excess of the  
21 school district budget do not become part of the school district's truth  
22 in taxation base limit.

23       C. The department of education shall maintain a listing of each  
24 school district's truth in taxation base limit and shall verify the  
25 accuracy of the school district's computations. A school district  
26 governing board shall notify the department of education of any change in  
27 the district's truth in taxation base limit.

28       D. The department of education shall develop a budget form for  
29 school districts to show the primary tax rate associated for each of the  
30 expenditure categories mentioned in subsection A, paragraph 1 of this  
31 section and for expenditures for adjacent ways pursuant to section 15-995  
32 or any other expenditure in excess of the school district budget pursuant  
33 to section 15-907. A school district shall make this information  
34 available to the general public at truth in taxation hearings and shall  
35 submit the information to the department of education.

36       Sec. 4. Section 15-1461.01, Arizona Revised Statutes, is amended to  
37 read:

38       15-1461.01. Truth in taxation notice and hearing; roll call  
39       vote on tax increase; definition

40       A. On or before February 10 of the tax year, the county assessor  
41 shall transmit and certify to the property tax oversight commission and to  
42 the district governing board the total net assessed values that are  
43 required to compute the levy limit prescribed by section 42-17051. If the  
44 proposed primary property tax levy, excluding amounts that are



1 attributable to new construction, is greater than the amount levied in the  
2 preceding tax year by the district:

3 1. The district governing board shall publish a notice that meets  
4 all of the following requirements:

5 (a) Is published twice in a newspaper of general circulation in the  
6 district. The first publication shall be at least fourteen but not more  
7 than twenty days before the date of the hearing. The second publication  
8 shall be at least seven but not more than ten days before the date of the  
9 hearing.

10 (b) Is published in a location other than the classified or legal  
11 advertising section of the newspaper in which it is published.

12 (c) Is at least one-fourth page in size and is surrounded by a  
13 solid black border at least one-eighth inch in width.

14 (d) Is in the following form, with the "truth in taxation  
15 hearing-notice of tax increase" headline in at least eighteen-point type:

16 Truth in Taxation Hearing

17 Notice of Tax Increase

18 In compliance with section 15-1461.01, Arizona Revised  
19 Statutes, (name of community college district) is notifying  
20 its property taxpayers of (name of community college  
21 district's) intention to raise its primary property taxes over  
22 last year's level. The (name of community college district)  
23 is proposing an increase in primary property taxes of  
24 \$\_\_\_\_\_ or \_\_\_\_%.

25 For example, the proposed tax increase will cause (name  
26 of community college district's) primary property taxes on a  
27 \$100,000 **AND \$400,000** home to be \$(total proposed taxes  
28 including the tax increase) AND \$(TOTAL PROPOSED TAXES  
29 **INCLUDING THE TAX INCREASE), RESPECTIVELY.** Without the  
30 proposed tax increase, the total taxes that would be owed on a  
31 \$100,000 **AND \$400,000** home would have been \$\_\_\_\_\_ **AND \$\_\_\_\_\_**,  
32 **RESPECTIVELY.**

33 This proposed increase is exclusive of increased primary  
34 property taxes received from new construction. The increase  
35 is also exclusive of any changes that may occur from property  
36 tax levies for voter approved bonded indebtedness or budget  
37 and tax overrides.

38 All interested citizens are invited to attend the public  
39 hearing on the tax increase that is scheduled to be held  
40 (date and time) at (location).

41 (e) Is included in the proposed budget and in the budget finally  
42 adopted pursuant to section 15-1461.

43 2. In lieu of publishing the truth in taxation notice, the district  
44 board may mail the truth in taxation notice prescribed by paragraph 1,  
45 subdivision (d) of this subsection to all registered voters in the

1 district at least ten but not more than twenty days before the date of the  
2 hearing.

3 3. In addition to publishing the truth in taxation notice under  
4 paragraph 1 of this subsection or mailing the notice under paragraph 2 of  
5 this subsection, the district governing board shall issue a press release  
6 containing the truth in taxation notice to all newspapers of general  
7 circulation in the district. The press release must:

8 (a) Include the name of the newspaper of general circulation in  
9 which the truth in taxation notice will be published and the dates on  
10 which the truth in taxation notice will be published.

11 (b) Be posted on the official website of the community college  
12 district.

13 4. The district board shall consider a motion to levy the increased  
14 property taxes by roll call vote. If the proposed levy, exclusive of  
15 increased property taxes received from new construction, constitutes an  
16 increase over the preceding tax year's levy by fifteen percent or more,  
17 the motion to levy the increased property taxes must be approved by a  
18 unanimous roll call vote of the district board.

19 5. Within three days after the hearing, the district board shall  
20 mail a copy of the truth in taxation notice, a statement of its  
21 publication or mailing and the result of the district board's vote under  
22 paragraph 4 of this subsection to the property tax oversight commission  
23 established by section 42-17002.

24 6. The district board shall hold the truth in taxation hearing on  
25 or before the adoption of the county, city or town budget under section  
26 42-17105.

27 B. If the governing board fails to comply with the requirements of  
28 this section, the governing board shall not fix, levy or assess an amount  
29 of primary property taxes that exceeds the preceding year's amount, except  
30 for amounts attributable to new construction.

31 C. For the purposes of this section, "amount attributable to new  
32 construction" means the net assessed valuation of property added to the  
33 tax roll since the previous year multiplied by a property tax rate  
34 computed by dividing the district's primary property tax levy in the  
35 preceding year by the estimate of the district's total net assessed  
36 valuation for the current year, excluding the net assessed valuation  
37 attributable to new construction.

38 Sec. 5. Section 35-454, Arizona Revised Statutes, is amended to  
39 read:

40 35-454. Informational pamphlet for bond election; review;  
41 ballot; election; return; canvass of votes;  
42 certificate of election

43 A. The governing body or board of the political subdivision shall:

44 1. At least thirty-five days before the bond election, mail a copy  
45 of an informational pamphlet to every household within the political

1 subdivision that contains a registered voter. The pamphlet shall contain  
2 information on the:

3 (a) Amount of the bond authorization.

4 (b) Maximum interest rate of the bonds.

5 (c) Estimated debt retirement schedule for the current amount of  
6 bonds outstanding, showing both principal and interest payments, the  
7 current net assessed valuation as reported by the department of revenue  
8 and the current adopted and estimated tax rates. For the purposes of this  
9 paragraph, "net assessed valuation" may include the values used to  
10 determine voluntary contributions collected pursuant to title 9, chapter  
11 4, article 3 and title 48, chapter 1, article 8.

12 (d) Estimated debt retirement schedule for the proposed bond  
13 authorization, showing both the estimated principal and interest payments  
14 and the estimated average annual tax rate for the proposed bond  
15 authorization. In preparing this information and the information  
16 prescribed by subdivision (c) of this paragraph, the projected total  
17 annual increase in net assessed valuation for any future year shall not  
18 exceed:

19 (i) For the first five years of the estimated debt retirement  
20 schedule, the average of the annual percentage growth for the previous ten  
21 years in the net assessed valuation of the political subdivision.

22 (ii) For the remaining years of the estimated debt retirement  
23 schedule, twenty percent of the average of the annual percentage growth  
24 for the previous ten years in the net assessed valuation of the political  
25 subdivision.

26 (e) Source of repayment.

27 (f) Estimated issuance costs.

28 (g) Estimated tax impact of debt service for the bonds on an  
29 owner-occupied residence classified as class three pursuant to section  
30 42-12003, on commercial property classified as class one pursuant to  
31 section 42-12001, paragraph 12 and on agricultural or other vacant  
32 property classified as class two pursuant to section 42-12002, assuming  
33 the net assessed valuation of the property increases annually at the  
34 lesser of five percent or fifty percent of the projected total annual  
35 increase in net assessed valuation as determined pursuant to subdivision  
36 (d) of this paragraph over the term of the bonds using the same average  
37 annual tax rate as under subdivision (d) of this paragraph, as follows:

38 The tax impact over the term of the bonds on an  
39 owner-occupied residence valued by the county assessor at  
40 \$250,000 AND \$400,000 is estimated to be \$\_\_\_ per year for \_\_\_  
41 years, or \$\_\_\_ total cost AND \$\_\_\_ PER YEAR FOR \_\_\_ YEARS, OR  
42 \$\_\_\_ TOTAL COST, RESPECTIVELY.

43 The tax impact over the term of the bonds on commercial  
44 property valued by the county assessor at \$1,000,000 AND  
45 \$2,000,000 is estimated to be \$\_\_\_ per year for \_\_\_ years, or

1       \$\_\_\_\_\_ total cost AND \$\_\_\_\_ PER YEAR FOR \_\_\_\_ YEARS, OR \$\_\_\_\_  
2       TOTAL COST, RESPECTIVELY.

3       The tax impact over the term of the bonds on  
4       agricultural or other vacant property valued by the county  
5       assessor at \$100,000 is estimated to be \$\_\_\_\_\_ per year for \_\_\_\_  
6       years, or \$\_\_\_\_\_ total cost.

7       (h) In ~~bold-faced~~ BOLDFACE type, estimated total cost of the  
8       proposed bond authorization, including principal and interest.

9       (i) Current outstanding general obligation debt and constitutional  
10      debt limitation.

11      (j) Projects and expenditures for which the bonds are to be issued.  
12      The purpose statement shall only present factual information in a neutral  
13      manner. Advocacy for the expenditures is strictly limited to the  
14      arguments submitted pursuant to subdivision (n) of this paragraph.

15      (k) Purpose for which the bonds are to be issued and, if  
16      applicable, in ~~bold-faced~~ BOLDFACE type, that the amount of the proposed  
17      bond authorization combined with the current outstanding debt exceeds the  
18      political subdivision's constitutional debt limit.

19      (l) Polling location for the addressee.

20      (m) Hours during the day when the polls will be open.

21      (n) Arguments for and against the authorization of one or more of  
22      the bond propositions. Each argument filed shall contain the sworn  
23      statement of the person submitting it. If the argument is submitted by an  
24      organization, it shall contain the sworn statement of two executive  
25      officers of the organization. If the argument is submitted by a political  
26      committee, it shall contain the sworn statement of the committee's  
27      chairperson or treasurer. If the argument is submitted by an individual  
28      and not on behalf of an organization, a political committee or any other  
29      group, the person shall submit the argument with a sworn, notarized  
30      statement. The names of persons and entities submitting written arguments  
31      shall be included in the informational pamphlet. Persons signing the  
32      argument shall identify themselves by giving their residence address and  
33      telephone number, which may not appear in the informational pamphlet,  
34      except that the person's city or town and state of residence shall appear  
35      in the pamphlet. Any argument that is submitted and that does not comply  
36      with this subdivision may not be included in the pamphlet.

37      2. Set a deadline to submit arguments for and against the  
38      authorization of one or more of the bond propositions at a public meeting  
39      and publish the deadline in a newspaper of general circulation in the  
40      jurisdiction of the political subdivision.

41      B. The failure of any one or more electors to receive the  
42      informational pamphlet shall not be grounds to invalidate the election.  
43      The election shall conform with the general election laws of this state.  
44      The return of the election held in a county shall be made to the board of

1 supervisors and, in any other case, to the governing body or board of the  
2 municipal corporation or district within twelve days after the election.

3 C. For any proposed general obligation bond authorization for which  
4 the principal and interest will be paid by a levy of property taxes, the  
5 ballot shall contain the phrase **IN BOLDFACE TYPE** "the issuance of these  
6 bonds will result in a property tax increase sufficient to pay the annual  
7 debt service on bonds. **PRINCIPAL OF AND INTEREST ON THE BONDS WILL BE**  
8 **PAYABLE FROM A CONTINUING, DIRECT, ANNUAL, AD VALOREM TAX LEVIED AGAINST**  
9 **ALL TAXABLE PROPERTY LOCATED WITHIN THE BOUNDARIES OF THE (NAME OF**  
10 **DISTRICT OR JURISDICTION).** THE BONDS WILL BE PAYABLE FROM THE TAX WITHOUT  
11 **LIMIT AS TO RATE OR AMOUNT".** Any written information provided by the  
12 political subdivision pertaining to the bond election shall include  
13 financial information showing the estimated average tax rate for the  
14 proposed bond authorization. If the bonds are to be repaid with secondary  
15 property taxes, the ballot shall contain the words "bond approval, yes"  
16 and "bond approval, no", and the voter shall signify the voter's desired  
17 choice. The ballot shall also contain the following statement:

18 A "yes" vote shall authorize the \_\_\_\_\_ governing body  
19 to issue and sell \$\_\_\_\_\_ of \_\_\_\_\_ bonds of the district to  
20 be repaid with secondary property taxes.

21 A "no" vote shall not authorize the \_\_\_\_\_ governing  
22 body to issue and sell such bonds of the district.

23 D. If the governing body intends to use revenues other than  
24 property taxes to pay the debt on proposed general obligation bonds, the  
25 ballot shall contain the phrase "the issuance of these bonds will result  
26 in a property tax increase sufficient to pay the annual debt service on  
27 bonds, unless the governing body provides for payment from other sources".

28 E. The board of supervisors, governing body or governing board  
29 shall hold a special meeting within twenty days after the election to  
30 canvass the votes cast and certify the result. The certificate of the  
31 result shall be prima facie evidence of full performance of all conditions  
32 and requirements precedent to holding the election.

33 F. The governing board or body shall file and record in the office  
34 of the county recorder a certificate disclosing the purpose of the  
35 election, the total number of votes cast and the total number of votes for  
36 and against creating the indebtedness, and stating whether or not the  
37 indebtedness is ordered. On filing and recording the certificate, the  
38 governing board or body shall carry out the purpose of the election.

39 G. Variations between the estimates required by subsection A of  
40 this section and the actual debt retirement schedules, issuance costs,  
41 annual and total costs and tax rates shall not invalidate either the  
42 election or the bonds.

1       Sec. 6. Section 41-1276, Arizona Revised Statutes, is amended to  
2 read:

3       41-1276. Truth in taxation levy for equalization assistance  
4           to school districts

5       A. On or before February 15 of each year, the joint legislative  
6 budget committee shall compute and transmit the truth in taxation rates  
7 for equalization assistance for school districts for the following fiscal  
8 year to:

9       1. The chairpersons of the house of representatives ways and means  
10 committee and the senate finance committee, or their successor committees.

11       2. The chairpersons of the appropriations committees of the senate  
12 and the house of representatives, or their successor committees.

13       B. The truth in taxation rates consist of the qualifying tax rate  
14 for a high school district or a common school district within a high  
15 school district that does not offer instruction in high school subjects  
16 pursuant to section 15-971, subsection B, paragraph 1 and a qualifying tax  
17 rate for a unified district, a common school district not within a high  
18 school district or a common school district within a high school district  
19 that offers instruction in high school subjects pursuant to section  
20 15-971, subsection B, paragraph 2 that will offset the change in net  
21 assessed valuation of property that was subject to tax in the prior year.

22       C. The joint legislative budget committee shall compute the truth  
23 in taxation rates as follows:

24       1. Determine the statewide net assessed value for the preceding tax  
25 year as provided in section 42-17151, subsection A, paragraph 3.

26       2. Determine the statewide net assessed value for the current tax  
27 year, excluding the net assessed value of property that was not subject to  
28 tax in the preceding year.

29       3. Divide the amount determined in paragraph 1 of this subsection  
30 by the amount determined in paragraph 2 of this subsection.

31       4. Adjust the qualifying tax rates for the current fiscal year by  
32 the percentage determined in paragraph 3 of this subsection in order to  
33 offset the change in net assessed value.

34       D. Except as provided in subsections E and G of this section, the  
35 qualifying tax rate for a high school district or a common school district  
36 within a high school district that does not offer instruction in high  
37 school subjects and the qualifying tax rate for a unified school district,  
38 a common school district not within a high school district or a common  
39 school district within a high school district that offers instruction in  
40 high school subjects for the following fiscal year shall be the rate  
41 determined by the joint legislative budget committee pursuant to  
42 subsection C of this section. The committee shall transmit the rates to  
43 the superintendent of public instruction and the county boards of  
44 supervisors by March 15 of each year.

1 E. If the legislature proposes qualifying tax rates that exceed the  
2 truth in taxation rate:

3 1. The house of representatives ways and means committee and the  
4 senate finance committee, or their successor committees, shall hold a  
5 joint hearing on or before February 28 and publish a notice of a truth in  
6 taxation hearing subject to the following requirements:

7 (a) The notice shall be published twice in a newspaper of general  
8 circulation in this state that is published at the state capital. The  
9 first publication shall be at least fourteen but not more than twenty days  
10 before the date of the hearing. The second publication shall be at least  
11 seven but not more than ten days before the date of the hearing.

12 (b) The notice shall be published in a location other than the  
13 classified or legal advertising section of the newspaper.

14 (c) The notice shall be at least one-fourth page in size and shall  
15 be surrounded by a solid black border at least one-eighth inch in width.

16 (d) The notice shall be in the following form, with the "truth in  
17 taxation hearing – notice of tax increase" headline in at least  
18 eighteen-point type:

19 Truth in Taxation Hearing

20 Notice of Tax Increase

21 In compliance with section 41-1276, Arizona Revised  
22 Statutes, the state legislature is notifying property  
23 taxpayers in Arizona of the legislature's intention to raise  
24 the property tax levy over last year's level.

25 The proposed tax increase will cause the taxes on a  
26 \$100,000 AND \$400,000 home to be \$(total proposed taxes  
27 including the tax increase) \$(TOTAL PROPOSED TAXES INCLUDING  
28 THE TAX INCREASE), RESPECTIVELY. Without the proposed tax  
29 increase, the total taxes that would be owed on a \$100,000 AND  
30 \$400,000 home would have been \$\_\_\_\_\_ AND \$\_\_\_\_\_,  
31 RESPECTIVELY.

32 All interested citizens are invited to attend a public  
33 hearing on the tax increase that is scheduled to be held  
34 (date and time) at (location).

35 (e) For the purposes of computing the tax increase on a \$100,000  
36 AND \$400,000 home as required by the notice, the joint meeting of the  
37 house of representatives ways and means committee and the senate finance  
38 committee, or their successor committees, shall consider the difference  
39 between the truth in taxation rate and the proposed increased rate.

40 2. The joint meeting of the house of representatives ways and means  
41 committee and the senate finance committee, or their successor committees,  
42 shall consider any motion to recommend the proposed tax rates to the full  
43 legislature by roll call vote.

44 F. In addition to publishing the truth in taxation notice under  
45 subsection E, paragraph 1 of this section, the joint meeting of the house



1 of representatives ways and means committee and the senate finance  
2 committee, or their successor committees, shall issue a press release  
3 containing the truth in taxation notice.

4 G. Notwithstanding any other law, the legislature shall not adopt a  
5 state budget that provides for qualifying tax rates pursuant to section  
6 15-971 that exceed the truth in taxation rates computed pursuant to  
7 subsection A of this section unless the rates are adopted by a concurrent  
8 resolution approved by an affirmative roll call vote of two-thirds of the  
9 members of each house of the legislature before the legislature enacts the  
10 general appropriations bill. If the resolution is not approved by  
11 two-thirds of the members of each house of the legislature, the rates for  
12 the following fiscal year shall be the truth in taxation rates determined  
13 pursuant to subsection C of this section and shall be transmitted to the  
14 superintendent of public instruction and the county boards of supervisors.

15 H. Notwithstanding subsection C of this section and if approved by  
16 the qualified electors voting at a statewide general election, the  
17 legislature shall not set a qualifying tax rate that exceeds \$2.1265 for a  
18 common or high school district or \$4.253 for a unified school district.  
19 The legislature shall not set a county equalization assistance for  
20 education rate that exceeds \$0.5123.

21 I. Pursuant to subsection C of this section, the qualifying tax  
22 rate in tax year 2024 for a high school district or a common school  
23 district within a high school district that does not offer instruction in  
24 high school subjects as provided in section 15-447 is \$1.5930 and for a  
25 unified school district, a common school district not within a high school  
26 district or a common school district within a high school district that  
27 offers instruction in high school subjects as provided in section 15-447  
28 is \$3.1860.

29 Sec. 7. Section 42-17107, Arizona Revised Statutes, is amended to  
30 read:

31 42-17107. Truth in taxation notice and hearing; roll call  
32 vote on tax increase; definition

33 A. On or before February 10 of the tax year, the county assessor  
34 shall transmit and certify to the property tax oversight commission and to  
35 the governing body of the county, city or town the total net assessed  
36 values that are required to compute the levy limit prescribed by section  
37 42-17051. If the proposed primary property tax levy, excluding amounts  
38 that are attributable to new construction, is greater than the amount  
39 levied by the county, city or town in the preceding tax year in the  
40 county, city or town:

41 1. The governing body shall publish a notice that meets all of the  
42 following requirements:

43 (a) Is published twice in a newspaper of general circulation in the  
44 county, city or town. The first publication shall be at least fourteen  
45 but not more than twenty days before the date of the hearing. The second



1 publication shall be at least seven but not more than ten days before the  
2 date of the hearing.

3 (b) Is published in a location other than the classified or legal  
4 advertising section of the newspaper in which it is published.

5 (c) Is at least one-fourth page in size and is surrounded by a  
6 solid black border at least one-eighth inch in width.

7 (d) Is in the following form, with the "truth in taxation hearing  
8 notice of tax increase" headline in at least eighteen-point type:

9 Truth in Taxation Hearing

10 Notice of Tax Increase

11 In compliance with section 42-17107, Arizona Revised  
12 Statutes, (name of county, city or town) is notifying its  
13 property taxpayers of (name of county, city or town)'s  
14 intention to raise its primary property taxes over last year's  
15 level. (name of county, city or town) is proposing an  
16 increase in primary property taxes of \$\_\_\_\_\_ or \_\_\_\_%.

17 For example, the proposed tax increase will cause (name  
18 of county, city or town)'s primary property taxes on a  
19 \$100,000 **AND \$400,000** home to be \$(total proposed taxes  
20 including the tax increase) **AND \$(TOTAL PROPOSED TAXES**  
21 **INCLUDING THE TAX INCREASE), RESPECTIVELY.** Without the  
22 proposed tax increase, the total taxes that would be owed on a  
23 \$100,000 **AND \$400,000** home would have been \$\_\_\_\_\_ **AND \$\_\_\_\_\_,**  
24 **RESPECTIVELY.**

25 This proposed increase is exclusive of increased primary  
26 property taxes received from new construction. The increase  
27 is also exclusive of any changes that may occur from property  
28 tax levies for voter approved bonded indebtedness or budget  
29 and tax overrides.

30 All interested citizens are invited to attend the public  
31 hearing on the tax increase that is scheduled to be held  
32 (date and time) at (location).

33 (e) Is included in the estimates of revenues and expenses pursuant  
34 to section 42-17103 and in the budget finally adopted pursuant to section  
35 42-17105.

36 2. In lieu of publishing the truth in taxation notice, the  
37 governing body may mail the truth in taxation notice prescribed by  
38 paragraph 1, subdivision (d) of this subsection to all registered voters  
39 in the county, city or town at least ten but not more than twenty days  
40 before the date of the hearing on the estimates pursuant to section  
41 42-17104.

42 3. In addition to publishing the truth in taxation notice under  
43 paragraph 1 of this subsection or mailing the notice under paragraph 2 of  
44 this subsection, the governing body shall issue a press release containing  
45 the truth in taxation notice. The press release must:

1 (a) Include the name of the newspaper of general circulation in  
2 which the truth in taxation notice will be published and the dates on  
3 which the truth in taxation notice will be published.

4 (b) Be posted on the official website of the county, city or town.

5 4. The governing body shall consider a motion to levy the increased  
6 property taxes by roll call vote. If the proposed levy, exclusive of  
7 increased property taxes received from new construction, constitutes an  
8 increase over the preceding tax year's levy by fifteen percent or more,  
9 the motion to levy the increased property taxes must be approved by a  
10 unanimous roll call vote of the governing body.

11 5. Within three days after the hearing, the governing body shall  
12 mail a copy of the truth in taxation notice, a statement of its  
13 publication or mailing and the result of the governing body's vote under  
14 paragraph 4 of this subsection to the property tax oversight commission.

15 6. The governing body shall hold the truth in taxation hearing on  
16 or before the adoption of the county, city or town budget under section  
17 42-17105.

18 B. If the governing body fails to comply with the requirements of  
19 this section, the governing body shall not fix, levy or assess an amount  
20 of primary property taxes that exceeds the preceding year's amount, except  
21 for amounts attributable to new construction.

22 C. For the purposes of this section, "amount attributable to new  
23 construction" means the net assessed valuation of property added to the  
24 tax roll since the previous year multiplied by a property tax rate  
25 computed by dividing the primary property tax levy of the county, city or  
26 town in the preceding year by the estimate of the total net assessed  
27 valuation of the county, city or town for the current year, excluding the  
28 net assessed valuation attributable to new construction.

29 Sec. 8. Section 48-254, Arizona Revised Statutes, is amended to  
30 read:

31 48-254. Truth in taxation notice and hearing; roll call vote  
32 on tax increase; definition

33 A. On or before February 10 of the tax year, the county assessor  
34 shall transmit and certify to the property tax oversight commission and to  
35 the governing body of each county flood control district, county free  
36 library district, county jail district and public health services district  
37 the total net assessed values that are required to compute the levy  
38 prescribed by sections 48-3620, 48-3903, 48-4023, 48-4023.01 and 48-5805.  
39 If the proposed secondary property tax levy of the special taxing  
40 district, excluding amounts attributable to new construction, is greater  
41 than the amount levied by the special taxing district in the preceding tax  
42 year:

43 1. The governing body shall publish a notice that meets all of the  
44 following requirements:

1 (a) Is published twice in a newspaper of general circulation in the  
2 county. The first publication shall be at least fourteen but not more  
3 than twenty days before the date of the hearing. The second publication  
4 shall be at least seven but not more than ten days before the date of the  
5 hearing.

6 (b) Is published in a location other than the classified or legal  
7 advertising section of the newspaper in which it is published.

8 (c) Is at least one-fourth page in size and is surrounded by a  
9 solid black border at least one-eighth inch in width.

10 (d) Is in the following form, with the "truth in taxation  
11 hearing-notice of tax increase" headline in at least eighteen-point type:

12 Truth in Taxation Hearing

13 Notice of Tax Increase

14 In compliance with section 48-254, Arizona Revised  
15 Statutes, (name of special taxing district) is notifying its  
16 property taxpayers of (name of special taxing district)'s  
17 intention to raise its secondary property taxes over last  
18 year's level. (name of special taxing district) is proposing  
19 an increase in secondary property taxes of \$\_\_\_\_\_ or  
20 \_\_\_\_%.

21 For example, the proposed tax increase will cause (name  
22 of special taxing district)'s secondary property taxes on a  
23 \$100,000 **AND \$400,000** home to be \$(total proposed taxes  
24 including the tax increase) AND \$(TOTAL PROPOSED TAXES  
25 **INCLUDING THE TAX INCREASE), RESPECTIVELY.** Without the  
26 proposed tax increase, the total taxes that would be owed on a  
27 \$100,000 **AND \$400,000** home would have been \$\_\_\_\_\_ **AND**  
28 **\$\_\_\_\_\_, RESPECTIVELY.**

29 This proposed increase is exclusive of increased  
30 secondary property taxes received from new construction. The  
31 increase is also exclusive of any changes that may occur from  
32 property tax levies for voter-approved bonded indebtedness.

33 All interested citizens are invited to attend the public  
34 hearing on the tax increase that is scheduled to be held  
35 (date and time) at (location).

36 (e) Is included in the proposed budget and in the budget finally  
37 adopted pursuant to section 48-252.

38 2. Instead of publishing the truth in taxation notice, the  
39 governing body may mail the truth in taxation notice prescribed by  
40 paragraph 1, subdivision (d) of this subsection to all registered voters  
41 in the special taxing district at least ten but not more than twenty days  
42 before the date of the hearing on the estimates pursuant to section  
43 42-17104.

44 3. In addition to publishing the truth in taxation notice under  
45 paragraph 1 of this subsection or mailing the notice under paragraph 2 of

1 this subsection, the governing body shall issue a press release containing  
2 the truth in taxation notice. The press release must:

3 (a) Include the name of the newspaper of general circulation in  
4 which the truth in taxation notice will be published and the dates on  
5 which the truth in taxation notice will be published.

6 (b) Be posted on the official website of the special taxing  
7 district.

8 4. The governing body may only consider a motion to levy the  
9 increased property taxes by roll call vote.

10 5. Within three days after the hearing, the governing body shall  
11 mail a copy of the truth in taxation notice, as a statement of its  
12 publication or mailing, and the result of the governing body's vote under  
13 paragraph 4 of this subsection to the property tax oversight commission.

14 6. The governing body shall hold the truth in taxation hearing  
15 concurrently with the adoption of the county budget under section  
16 42-17105.

17 B. If the governing body fails to comply with the requirements of  
18 this section, the governing body may not fix, levy or assess an amount of  
19 secondary property taxes that exceeds the preceding year's amount, except  
20 for amounts attributable to new construction.

21 C. For the purposes of this section, "amounts attributable to new  
22 construction" means the net assessed valuation of property added to the  
23 tax roll since the previous year multiplied by a property tax rate  
24 computed by dividing the secondary property tax levy of the special taxing  
25 district in the preceding year by the estimate of the total net assessed  
26 valuation of the special taxing district for the current year, excluding  
27 the net assessed valuation attributable to new construction.