

State of Arizona
House of Representatives
Forty-sixth Legislature
First Regular Session
2003

CHAPTER 197

HOUSE BILL 2461

AN ACT

AMENDING SECTION 15-905.01, ARIZONA REVISED STATUTES; RELATING TO TRUTH IN TAXATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)



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

2 Section 1. Section 15-905.01, Arizona Revised Statutes, is amended to
3 read:

4 15-905.01. Truth in taxation; calculation; notice and hearing;
5 vote on tax increase

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

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

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

11 (b) Dropout prevention programs.

12 (c) Excess utilities pursuant to section 15-910.

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

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

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

18 3. For any year after fiscal year 1999-2000, a school district whose
19 aggregate budgeted expenditures for the expenditures prescribed in paragraph
20 1 of this subsection exceed the truth in taxation base limit shall publish
21 a truth in taxation hearing notice that meets the requirements of subsection
22 B of this section. If the amount exceeding the previous truth in taxation
23 base limit is approved by the school district governing board following the
24 hearing prescribed in subsection B of this section, the excess amount plus
25 the previous truth in taxation base limit becomes the school district's new
26 truth in taxation base limit.

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

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

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

41 (a) The notice shall be published once in a newspaper of general
42 circulation in the school district. The publication shall be at least ten
43 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 be
5 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 hearing - notice
8 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 15-905.01, Arizona Revised
12 Statutes, _____ school district is notifying its property
13 taxpayers of _____ school district's intention to raise its
14 primary property taxes over the current level to pay for
15 increased expenditures over the state-imposed spending limit IN
16 THOSE AREAS WHERE THE GOVERNING BOARD HAS THE AUTHORITY TO
17 INCREASE PROPERTY TAXES FOR THE FISCAL YEAR BEGINNING JULY 1,
18 _____. The _____ school district is proposing an increase in
19 its primary property tax levy of \$_____ (amount of levy
20 increase to pay for truth in taxation base increase, THE AMOUNT
21 OF THE TOTAL LEVY FOR THE ADJACENT WAYS FUND AND AMOUNTS FOR
22 LIABILITIES IN EXCESS OF THE SCHOOL DISTRICT BUDGET PURSUANT TO
23 SECTION 15-907) or _____%.

24 For example, The AMOUNT proposed tax increase ABOVE will
25 cause _____ school district's primary property taxes on a
26 \$100,000 home to increase from \$_____ (the rate AMOUNT used
27 to pay for the current YEAR'S truth in taxation base limit [the
28 amount divided by the current net assessed value available
29 February 10 pursuant to section 42-17052] applied to \$100,000)
30 to \$_____ (the rate AMOUNT used to pay for the BUDGET
31 YEAR'S proposed truth in taxation base limit AND ADJACENT WAYS
32 LEVY, INCLUDING ADJACENT WAYS AND LIABILITIES IN EXCESS OF THE
33 SCHOOL DISTRICT BUDGET [the amount divided by the current net
34 assessed value available February 10 pursuant to section
35 42-17052] applied to \$100,000).

36 This THESE AMOUNTS proposed increase is exclusive of the
37 amount produced by levying ARE ABOVE the qualifying tax levy
38 LEVIES as prescribed in Arizona Revised Statutes section 15-971,
39 subsection B, section 15-918.05, if applicable, and section
40 15-919.05 BY STATE LAW, if applicable. The increase is also
41 exclusive of any changes that may occur from property tax levies
42 for voter approved bonded indebtedness or budget and tax
43 overrides.

1 All interested citizens are invited to attend the public
2 hearing on the proposed tax increase scheduled to be held
3 _____ (date and time) at _____ (location).

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

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

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

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

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

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

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

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

38 Sec. 2. Emergency

39 This act is an emergency measure that is necessary to preserve the
40 public peace, health or safety and is operative immediately as provided by
41 law.

APPROVED BY THE GOVERNOR MAY 12, 2003.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 13, 2003.

Passed the House March 12, 2003

Passed the Senate April 30, 2003

by the following vote: 57 Ayes,

by the following vote: 29 Ayes,

0 Nays, 3 Not Voting

0 Nays, 1 Not Voting

Jake Flake
Speaker of the House

Ken Bennett *with Emergency*
President of the Senate

Norman L. Joyce
Chief Clerk of the House

Charmine Bellington
Secretary of the Senate

**EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR**

This Bill was received by the Governor this
_____ day of _____, 20____,
at _____ o'clock _____ M.

Secretary to the Governor

Approved this _____ day of
_____, 20____,
at _____ o'clock _____ M.

Governor of Arizona

**EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE**

This Bill was received by the Secretary of State
this _____ day of _____, 20____,
at _____ o'clock _____ M.

Secretary of State

H.B. 2461

HOUSE CONCURS IN SENATE
AMENDMENTS AND FINAL PASSAGE

May 6, 2003

by the following vote: 57 Ayes,

0 Nays, 3 Not Voting
With Emergency

Jake Flake
Speaker of the House

Norman L. Syore
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

6 day of May, 2003

at 12:06 o'clock P M.

Sandra Ramirez
Secretary to the Governor

Approved this 12 day of

May, 2003,

at 9:05 o'clock A M.

Jt. April
Governor of Arizona

H.B. 2461

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 13 day of May, 2003

at 4:03 o'clock P M.

Janice A. Brewer
Secretary of State