Senate Engrossed

FILED
MICHELE REAGAN
SECRETARY OF STATE

State of Arizona
Senate
Fifty-second Legislature
Second Regular Session
2016

CHAPTER 225

SENATE BILL 1376

AN ACT

AMENDING SECTION 15-459, ARIZONA REVISED STATUTES; RELATING TO SCHOOL DISTRICT BOUNDARIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 15-459, Arizona Revised Statutes, is amended to read:

15-459. Consolidation of districts; petition; election; notice; report; ballots; canvass of votes; governing board

A. On the request of the governing boards of two or more school districts in the same county or in adjacent counties or on receipt of petitions bearing the signatures of ten ~~per cent~~ PERCENT or more of the number of qualified electors who voted in whichever of the last two general elections resulted in the higher number of ballots cast and who reside in each of two or more school districts in the same county or in adjacent counties to consolidate the school districts or parts of the districts, the county school superintendent of each of the counties affected, within ten days, shall call an election to determine the question on consolidation.

B. Consolidations allowed pursuant to subsection A of this section include:

1. To change the boundaries of a school district to include any part of an adjacent school district.

2. If all the common school districts within the boundaries of an existing union high school district desire to consolidate into one common school district.

3. If two or more adjacent school districts of like character, either common, high or unified school districts, desire to consolidate into one common, high or unified school district.

4. If a common school district that is not a part of a union high school district desires to consolidate with an adjacent unified school district.

5. If two or more common school districts desire to consolidate into one school district and unify the consolidated district with a union high school district to form one unified school district.

6. TO CHANGE THE BOUNDARIES OF A SCHOOL DISTRICT THAT HAS RECEIVED A LETTER GRADE OF A OR B PURSUANT TO SECTION 15-241 TO INCLUDE ANOTHER SCHOOL DISTRICT WITHIN TWENTY MILES OF EACH OTHER.

C. Notice of the election to determine consolidation of school districts shall be posted in not less than three public places in each of the school districts proposed to be consolidated at least twenty-five days before the election.

D. The county school superintendent shall prepare and the governing board shall distribute a report on the proposed boundary changes in a manner similar to that prescribed in section 15-481, subsection B. The report shall contain the following information:

1. The date of the election.

2. The polling places and times they are open.

3. The full cash value, the assessed valuation and the estimated amount of the primary property taxes and the estimated amount of the

secondary property taxes under the proposed boundary changes for each of the following:

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

(b) An ~~owner occupied~~ OWNER-OCCUPIED residence whose assessed valuation is one-half of the assessed valuation of the residence in subdivision (a) of this paragraph.

(c) An ~~owner occupied~~ OWNER-OCCUPIED residence whose assessed valuation is twice the assessed valuation of the residence in subdivision (a) of this paragraph.

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

4. A consolidation plan to include:

(a) The proposed boundary changes.

(b) The impact of the proposed boundary changes, including where pupils will attend school, changes in pupil transportation services, changes in availability of special education services, changes in pupil-teacher ratio and operational costs.

(c) If subsection P of this section applies to one or more of the existing school districts, a detailed description of desegregation funding and expenses for the resulting school district as set forth in subsection P of this section.

(d) Any other information the county school superintendent deems appropriate to include.

E. Ballots shall be prepared by the county school superintendent, shall be delivered to the inspector at least forty-eight hours before the opening of the polls as prescribed in section 16-509 and shall contain the information prescribed in subsection D, paragraph 3 of this section and the following statement: "Consolidation includes the assumption of liability by the resulting school district for all indebtedness of existing school districts or those parts of school districts proposed for consolidation. Do you support consolidation under the specified provisions of the consolidation plan? Yes ( ) No ( )." If the election is to simultaneously consolidate and unify two or more common school districts, the ballot shall contain: "Do you support the consolidation of the (insert names of common school districts) and the subsequent unification of the consolidated districts with the (insert name of union high school district) to form one unified school district under the consolidation and unification plan? Yes ( ) No ( )."

F. The county school superintendent shall hold the election during the fiscal year preceding the fiscal year consolidation is proposed to be effective on a date prescribed by section 16-204. The election shall be held in the manner and electors shall possess qualifications as prescribed for the

election of governing board members. The results of the election shall be reported to the county school superintendent.

G. The county school superintendent and the chairman of the board of supervisors, on the seventh day after the election, shall canvass the vote. If a majority of the votes cast in each district approved the consolidation, the districts are consolidated and become one district from and after June 30 next following the election. If parts of two or more school districts are proposed to be consolidated, a majority of the voters in the part of a school district or districts not affected by the proposed consolidation and a majority of the voters in the part of the school district or districts proposed for consolidation must approve the consolidation.

H. If a school district provides only financing for pupils who are instructed by another school district in the same county or in an adjacent county, the school district or any part of the school district may be consolidated with the school district providing the instructional program as follows:

1. The governing board of the financing school district approves the consolidation or ten ~~per cent~~ PERCENT of the qualified electors residing in the school district, or that part of the school district proposed for consolidation, petitions the county school superintendent to call an election to approve the proposed consolidation.

2. The governing board of the school district providing instruction approves the consolidation.

3. At an election called by the county school superintendent of each of the counties affected, a majority of the persons voting in the school district, or that part of the school district providing financing, approve the proposed consolidation and a majority of the persons voting in the district providing instruction approve the proposed consolidation.

I. Elections held as provided in subsection H of this section shall be conducted in the same manner as elections prescribed in subsections C through G of this section and shall be held concurrently as prescribed in section 15-458.

J. If the consolidated district includes territory located in two or more counties, the county of jurisdiction is the county in which the largest number of qualified electors of the consolidated school district resides, except that if all of the existing school buildings are in one county, that county is the county of jurisdiction. The county school superintendent of the jurisdictional county shall perform all duties for and with respect to the consolidated school district as required to be performed by county school superintendents. The board of supervisors of the jurisdictional county shall perform all duties for and with respect to the consolidated school district as required to be performed by boards of supervisors, except that school district taxes to be levied on property in the portion of the consolidated school district lying in another county shall be levied by the board of supervisors of the other county or counties and on receipt shall be

transferred to the county of jurisdiction. All school buildings located within the consolidated school district, together with all equipment and furnishings, become the property of the consolidated school district. Any assumed indebtedness is an indebtedness of the consolidated school district for the purpose of determining the debt incurring authority of the consolidated school district.

K. Sections 15-457, 15-975 and 15-997 apply to school districts that are consolidated as provided in subsection H of this section.

L. Consolidation pursuant to this section is not allowed if the resulting school district would have a student count for the current year of more than ten ~~per cent~~ PERCENT of the total student count of all school districts in this state.

M. The governing board is constituted, may conduct meetings and shall prepare policies, curricula and budgets for the new school district after the canvass pursuant to subsection G of this section demonstrates that a majority of the votes cast in each school district approved the consolidation. These policies shall require that:

1. The base salary and benefits of each employee for the first year of operation of the new school district shall not be lower than the employee's base salary and benefits for the prior year in the previously existing school district.

2. The employee's years of employment in the previously existing school district shall be included in determining the employee's years of employment in the new school district. An employee who was entitled to continuing employment contract status in the previously existing school district is entitled to continuing employment contract status in the new school district.

3. Notwithstanding paragraphs 1 and 2 of this subsection and pursuant to section 15-544, nothing in this section shall be construed to restrict the ability of the governing board to implement a reduction in force or to scale back salaries of certified teachers, administrators or noncertificated employees for reasons of economy or to improve the efficient conduct of schools within the district following a school district consolidation.

N. If all of the districts to be consolidated have authorization for an override as provided in section 15-481 that would have continued after the consolidation, the override authorization continues for the new district and expires at the time that the earliest override would have expired.

O. If one or more, but not all, of the districts to be consolidated have authorization for an override as provided in section 15-481 that would have continued after the consolidation, the override authorization shall only apply to the schools included under the terms of the prior override authorization. Consolidation of school districts does not consolidate or pool the liability to be taxed for the override, and only property that was located within the boundaries of the district that approved the override prior to consolidation is to pay taxes to support the override. This

subsection also applies if all of the districts to be consolidated have authorization for overrides, but the authorizations are pursuant to different subsections of section 15-481 or the override amounts are not the same percentage of the revenue control limit.

P. Notwithstanding section 15-457, consolidation of school districts does not consolidate or pool the liability of the former school districts into the resulting school district. Outstanding indebtedness incurred by a school district before consolidation shall be repaid without interruption according to existing debt schedules as determined by the county board of supervisors. If a school district consolidates after July 1, 2004, the new school district may pay tuition to the district of attendance when a pupil is precluded by distance or lack of transportation from attending school in the district of a pupil's residence.

Q. If one or more of the previously existing school districts were authorized to budget for expenses of complying with or continuing to implement activities that were required or permitted by court order of desegregation or administrative agreement with the United States department of education office for civil rights directed toward remediating alleged or proven racial discrimination pursuant to section 15-910, this authorization does not expire on the effective date of consolidation but only applies to schools included in the court order or administrative agreement.

~~R. If one or more of the previously existing school districts were participating in a career ladder program pursuant to chapter 9, article 1.1 of this title before consolidation, notwithstanding any other law the state board shall expedite the processing of and may approve an updated application for program reapproval that incorporates the geographic boundaries of the resulting school district and the inclusion of the additional staff in the career ladder program.~~

~~S.~~ R. If the formation of a new consolidated and unified school district is authorized, the terms of the governing board members of the common and union high school districts do not expire on the effective date of the unification. The governing board members of the previously existing school districts shall serve as provided in section 15-430, except that the power of the governing board members of the previously existing school districts acting as the governing board of the unified school district is limited to the maintenance and operation of the previously existing school districts and compliance with the consolidation and unification plan.

APPROVED BY THE GOVERNOR MAY 12, 2016.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 12, 2016.

Passed the House May 7, 2016

by the following vote: 41 Ayes,

13 Nays, 6 Not Voting

Speaker of the House

Chief Clerk of the House

Passed the Senate February 25, 2016,

by the following vote: 25 Ayes,

3 Nays, 2 Not Voting

President of the Senate

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

9th day of May, 2016

at 10:07 o'clock A. M.

Secretary to the Governor

Approved this 12th day of

May, 2016,

at 8:39 o'clock A. M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 13 day of May, 2016,

at 8:20 o'clock A M.

Secretary of State

S.B. 1376