Senate Engrossed House Bill

FILED

JANICE K. BREWER
SECRETARY OF STATE

State of Arizona
House of Representatives
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First Regular Session
2007

CHAPTER 222

HOUSE BILL 2035

AN ACT

AMENDING SECTION 15-481, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2006, CHAPTER 44, SECTION 2 AND CHAPTER 217, SECTION 4; REPEALING SECTION 15-481, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2006, CHAPTER 354, SECTION 12; AMENDING SECTION 15-491, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2006, CHAPTER 44, SECTION 3 AND CHAPTER 217, SECTION 5; REPEALING SECTION 15-491, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2006, CHAPTER 354, SECTION 13; REPEALING THE ARTICLE HEADING OF FORMER TITLE 23, CHAPTER 2, ARTICLE 8, ARIZONA REVISED STATUTES; PROVIDING FOR THE DELAYED REPEAL OF SECTION 36-2007, ARIZONA REVISED STATUTES; AMENDING SECTION 42-1116, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2006, CHAPTER 354, SECTION 24; REPEALING SECTION 42-1116, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2006, CHAPTER 351, SECTION 5; AMENDING SECTION 42-3203, ARIZONA REVISED STATUTES, AS ADDED BY LAWS 1997, CHAPTER 150, SECTION 59; AMENDING SECTION 42-3203, ARIZONA REVISED STATUTES, AS AMENDED BY THIS ACT; REPEALING SECTION 42-3203, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2006, CHAPTER 278, SECTIONS 18 AND 19; AMENDING SECTION 48-4203, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2002, CHAPTER 149, SECTION 1; REPEALING SECTION 48-4203, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2006, CHAPTER 376, SECTION 4; AMENDING LAWS 2005, CHAPTER 322, SECTION 2; REPEALING LAWS 2006, CHAPTER 319, SECTION 2; RELATING TO MULTIPLE, DEFECTIVE AND CONFLICTING LEGISLATIVE DISPOSITIONS OF STATUTORY TEXT; PROVIDING FOR CONDITIONAL ENACTMENT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Purpose

1. Section 15-481, Arizona Revised Statutes, was amended by Laws 2006, chapter 44, section 2, chapter 217, section 4 and chapter 354, section 12. The chapter 354 version could not be blended because of the delayed effective date. In order to combine these versions, this act amends the Laws 2006 blended version of section 15-481, Arizona Revised Statutes, to incorporate the amendments made by Laws 2006, chapter 354 and the chapter 354 version is repealed.

2. Section 15-491, Arizona Revised Statutes, was amended by Laws 2006, chapter 44, section 3, chapter 217, section 5 and chapter 354, section 13. The chapter 354 version could not be blended because of the delayed effective date. In order to combine these versions, this act amends the Laws 2006 blended version of section 15-491, Arizona Revised Statutes, to incorporate the amendments made by Laws 2006, chapter 354 and the chapter 354 version is repealed.

3. Laws 1956, third special session, chapter 3 recodified Arizona Revised Statutes and included title 23, chapter 2, article 8. Laws 1965, chapter 27, section 4 and Laws 1974, chapter 76, section 9 repealed all of the sections contained in title 23, chapter 2, article 8, Arizona Revised Statutes. The article heading for that article 8 has not been repealed. Laws 2006, Proposition 202 added a new title 23, chapter 2, article 8, Arizona Revised Statutes. In order to resolve this conflict, this act repeals the article heading of former title 23, chapter 2, article 8, Arizona Revised Statutes.

4. Laws 2006, chapter 337, section 7 provided for the delayed repeal of that act. However, that repeal was not included in the title of the act in violation of article IV, part 2, section 13, Constitution of Arizona. In order to correct a potentially defective enactment, this act provides for the delayed repeal of section 36-2007, Arizona Revised Statutes.

5. Section 42-1116, Arizona Revised Statutes, was amended by Laws 2006, chapter 351, section 5 and chapter 354, section 24. These two versions could not be blended because of the delayed effective date of the chapter 351 version. In order to combine these two versions, this act amends the chapter 354 version of section 42-1116, Arizona Revised Statutes, to incorporate the amendments made by Laws 2006, chapter 351 and the chapter 351 version is repealed.

6. Section 42-3203, Arizona Revised Statutes, was amended by Laws 2006, chapter 278, section 18, and that version of section 42-3203, Arizona Revised Statutes, was amended by Laws 2006, chapter 278, section 19. However, the version of the section that was amended by Laws 2006, chapter 278, section 18 was not identified in the title of the act in violation of article IV, part 2, section 13, Constitution of Arizona. In order to correct potentially defective enactments, this act amends the previous valid version of section 42-3203, Arizona Revised Statutes, to incorporate the amendments

made by Laws 2006, chapter 278, section 18 and amends the amended version to incorporate the amendments made by Laws 2006, chapter 278, section 19 and the chapter 278, section 18 and 19 versions are repealed.

7. Section 48-4203, Arizona Revised Statutes, was amended by Laws 2006, chapter 376, section 4. However, this version did not reflect the previous valid version of the section. In order to comply with article IV, part 2, section 14, Constitution of Arizona, this act amends section 48-4203, Arizona Revised Statutes, as amended by Laws 2002, chapter 149, section 1, to incorporate the amendments made by Laws 2006, chapter 376 and the chapter 376 version is repealed.

8. Laws 2005, chapter 322, section 2 was amended by Laws 2006, chapter 319, section 2. However, this version did not reflect the previous valid version of the section. In order to comply with article IV, part 2, section 14, Constitution of Arizona, this act amends Laws 2005, chapter 322, section 2 to incorporate the amendments made by Laws 2006, chapter 319 and the chapter 319 version is repealed.

Sec. 2. Section 15-481, Arizona Revised Statutes, as amended by Laws 2006, chapter 44, section 2 and chapter 217, section 4, is amended to read:

15-481. Override election; budget increases; notice; ballot; effect

A. If ~~the~~ A proposed budget of a school district exceeds the aggregate budget limit for the budget year, AT LEAST NINETY DAYS BEFORE THE PROPOSED ELECTION the governing board shall order an override election to be held ~~not less than ninety days from the date of the order~~ ON THE FIRST TUESDAY FOLLOWING THE FIRST MONDAY IN NOVEMBER AS PRESCRIBED BY SECTION 16-204, SUBSECTION B, PARAGRAPH 1, SUBDIVISION (d) for the purpose of presenting the proposed budget to the qualified electors of the school district who shall by a majority of those voting either affirm or reject the budget. In addition, the governing board shall prepare an alternate budget which does not include an increase in the budget of more than the amount permitted as provided in section 15-905. If the qualified electors approve the proposed budget, the governing board of the school district shall follow the procedures prescribed in section 15-905 for adopting a budget that includes the authorized increase. If the qualified electors disapprove the proposed budget, the governing board shall follow the procedures prescribed in section 15-905 for adopting a budget that does not include the proposed increase or the portion of the proposed increase that exceeds the amount authorized by a previously approved budget increase as prescribed in subsection P of this section.

B. The county school superintendent shall prepare an informational report on the proposed increase in the budget and a sample ballot and, at least forty days prior to the election, shall transmit the report and the sample ballot to the governing board of the school district. The governing board, upon receipt of the report and the ballot, shall mail or distribute the report and the ballot to the households in which qualified electors reside within the school district at least thirty-five days prior to the

election. Any distribution of material concerning the proposed increase in the budget shall not be conducted by children enrolled in the school district. The report shall contain the following information:

1. The date of the election.

2. The voter's polling place and the times it is open.

3. The proposed total increase in the budget which exceeds the amount permitted pursuant to section 15-905.

4. The total amount of the current year's budget, the total amount of the proposed budget and the total amount of the alternate budget.

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

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

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

8. The dollar amount and the purpose for which the proposed increase in the budget is to be expended for the first year for which the budget increase was adopted.

9. At least two arguments, if submitted, but no more than ten arguments for and two arguments, if submitted, but no more than ten arguments against the proposed increase in the budget. The arguments shall be in a form prescribed by the county school superintendent and each argument shall not exceed two hundred words. Arguments for the proposed increase in the budget shall be provided in writing and signed by the governing board. If submitted, additional arguments in favor of the proposed increase in the budget shall be provided in writing and signed by those in favor. Arguments against the proposed increase in the budget shall be provided in writing and signed by those in opposition. The names of those persons other than the governing board or superintendent submitting written arguments shall not be included in the report without their specific permission, but shall be made available only upon request to the county school superintendent. The county school superintendent shall review all factual statements contained in the written arguments and correct any inaccurate statements of fact. The superintendent shall not review and correct any portion of the written arguments which are identified as statements of the author's opinion. The county school superintendent shall make the written arguments available to the public as provided in title 39, chapter 1, article 2. A deadline for submitting arguments to be included in the informational report shall be set by the county school superintendent.

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

11. The full cash value, the assessed valuation, THE FIRST YEAR TAX RATE FOR THE PROPOSED OVERRIDE and the estimated amount of the secondary property taxes if the proposed budget is adopted for each of the following:

(a) An 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 residence whose assessed valuation is one-half of the assessed valuation of the residence in subdivision (a) of this paragraph.

(c) An 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.

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

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

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

(c) The tax rate associated with each of the proposed capital improvements and the estimated cost of each capital improvement for the owner of a single family home that is valued at eighty thousand dollars.

C. For the purpose of this section, the school district may use its staff, equipment, materials, buildings or other resources only to distribute the informational report at the school district office or at public hearings and to produce such information as required in subsection B of this section, provided that nothing in this subsection shall preclude school districts from holding or participating in any public hearings at which testimony is given by at least one person for the proposed increase and one person against the proposed increase. ANY WRITTEN INFORMATION PROVIDED BY THE DISTRICT PERTAINING TO THE OVERRIDE ELECTION SHALL INCLUDE FINANCIAL INFORMATION SHOWING THE ESTIMATED FIRST YEAR TAX RATE FOR THE PROPOSED BUDGET OVERRIDE AMOUNT.

D. IF ANY AMOUNT OF THE PROPOSED INCREASE WILL BE FUNDED BY A LEVY OF TAXES IN THE DISTRICT, THE ELECTION PRESCRIBED IN SUBSECTION A OF THIS SECTION SHALL BE HELD ON THE FIRST TUESDAY FOLLOWING THE FIRST MONDAY IN NOVEMBER AS PRESCRIBED BY SECTION 16-204, SUBSECTION B, PARAGRAPH 1, SUBDIVISION (d). IF THE PROPOSED INCREASE WILL BE FULLY FUNDED BY REVENUES FROM OTHER THAN A LEVY OF TAXES the elections prescribed in subsection A of

this section shall be held on ~~a~~ ANY date prescribed by section 16-204. ~~and~~ THE ELECTIONS shall be conducted as nearly as practicable in the manner prescribed in article 1 of this chapter, sections 15-422 through 15-424 and section 15-426, relating to special elections, except that:

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

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

E. If the election is to exceed the revenue control limit and if the proposed increase will be fully funded by a levy of taxes upon the taxable property within the school district, the ballot shall contain the words "budget increase, yes" and "budget increase, no", and the voter shall signify his desired choice. The ballot shall also contain the amount of the proposed increase of the proposed budget over the alternate budget, a statement that the amount of the proposed increase will be based on a percentage of the school district's revenue control limit in future years, if applicable, as provided in subsection P of this section and the following statement:

> Any budget increase authorized by this election shall be entirely funded by a levy of taxes upon the taxable property within this school district for the year for which adopted and for ____ subsequent years, shall not be realized from monies furnished by the state and shall not be subject to the limitation on taxes specified in article IX, section 18, Constitution of Arizona. Based on an estimate of assessed valuation used for secondary property tax purposes, TO FUND the proposed increase in the school district's budget ~~over that allowed by law~~ would ~~result in~~ REQUIRE an estimated ~~increase in the school district's~~ tax rate of _____ dollar per one hundred dollars of assessed valuation used for secondary property tax purposes and is in addition to the school district's tax rate which will be levied to fund the school district's revenue control limit allowed by law.

F. If the election is to exceed the revenue control limit and if the proposed increase will be fully funded by revenues from other than a levy of taxes upon the taxable property within the school district, the ballot shall contain the words "budget increase, yes" and "budget increase, no", and the voter shall signify the voter's desired choice. The ballot shall also contain:

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

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

3. The following statement:

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

G. Except as provided in subsection H of this section, the maximum budget increase which may be requested and authorized as provided in subsection E or F of this section or the combination of subsections E and F of this section is ten per cent of the revenue control limit as provided in section 15-947, subsection A for the budget year.

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

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

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

(i)

Student Count		Small School Student Count Limit		Support Level Weight for Small Isolated School Districts		Base Level		Phase Down Reduction Factor
_____	-	125	x	1.358 + (0.0005 x (500 - Student Count))	x	$ _____	=	$ _____

Phase Down Base		Phase Down Reduction Factor		Small Isolated School District Elementary Limit
$150,000	-	$ _____	=	$ _____

(ii)

Student Count		Small School Student Count Limit		Support Level Weight for Small School Districts		Base Level		Phase Down Reduction Factor
_____	-	125	x	1.278 + (0.0003 x (500 - Student Count))	x	$ _____	=	$ _____

Phase Down Base		Phase Down Reduction Factor		Small School District Elementary Limit
$150,000	-	$ _____	=	$ _____

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

(i)

Student Count		Small School Student Count Limit		Support Level Weight for Small Isolated School Districts		Base Level		Phase Down Reduction Factor
_____	-	100	x	1.468 + (0.0005 x (500 - Student Count))	x	$_____	=	$_____

Phase Down Base		Phase Down Reduction Factor		Small Isolated District Secondary Limit
$350,000	-	$_____	=	$_____

(ii)

Student Count		Small School Student Count Limit		Support Level Weight for Small School Districts		Base Level		Phase Down Reduction Factor
_____	-	100	x	1.398 + (0.0004 x (500 - Student Count))	x	$_____	=	$_____

Phase Down Base		Phase Down Reduction Factor		Small School District Secondary Limit
$350,000	-	$_____	=	$_____

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

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

2. If a school district utilizes the provisions of this subsection to request an override of more than one year, the ballot shall include an estimate of the amount of the proposed increase in the future years in place of the statement that the amount of the proposed increase will be based on a

percentage of the school district's revenue control limit in future years, as prescribed in subsections E and F of this section.

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

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

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

> Any budget increase authorized by this election shall be entirely funded by a levy of taxes on the taxable property within this school district for the year for which adopted and for _____ subsequent years, shall not be realized from monies furnished by the state and shall not be subject to the limitation on taxes specified in article IX, section 18, Constitution of Arizona. Based on an estimate of assessed valuation used for secondary property tax purposes, ~~the portion of~~ TO FUND the proposed increase in the school district's budget ~~over that allowed by law~~ which will be funded by a levy of taxes upon the taxable property within this school district would ~~result in~~ REQUIRE an estimated ~~increase in the school district's~~ tax rate of _____ dollar per one hundred dollars of assessed valuation used for secondary property tax purposes and is in addition to the school district's tax rate that will be levied to fund the school district's revenue control limit allowed by law.

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

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

K. The maximum budget increase that may be requested and authorized as provided in subsection I or J of this section, or a combination of both of these subsections, is five per cent of the revenue control limit as provided in section 15-947, subsection A for the budget year. For a unified school district, a common school district not within a high school district or a common school district within a high school district that offers instruction in high school subjects as provided in section 15-447, five per cent of the revenue control limit means five per cent of the revenue control limit attributable to the weighted student count in preschool programs for children with disabilities, kindergarten programs and grades one through eight as provided in section 15-971, subsection B.

L. If the election is to exceed the capital outlay revenue limit and if the proposed increase will be fully funded by a levy of taxes upon the taxable property within the school district, the ballot shall contain the words "budget increase, yes" and "budget increase, no", and the voter shall signify the voter's desired choice. An election held pursuant to this subsection shall be held on the first Tuesday after the first Monday of November. The ballot shall also contain the amount of the proposed increase of the proposed budget over the alternate budget and the following statement:

> Any budget increase authorized by this election shall be entirely funded by a levy of taxes upon the taxable property within this school district for the year in which adopted and for _____ subsequent years, shall not be realized from monies furnished by the state and shall not be subject to the limitation on taxes specified in article IX, section 18, Constitution of Arizona. Based on an estimate of assessed valuation used for secondary property tax purposes, TO FUND the proposed increase in the school district's budget ~~over that allowed by law~~ would ~~result in~~ REQUIRE an estimated ~~increase in the school district's~~ tax rate of _____ dollar per one hundred dollars of assessed valuation used for secondary property tax purposes and is in addition to the school district's tax rate which will be levied to fund the school district's capital outlay revenue limit allowed by law.

M. If the election is to exceed the capital outlay revenue limit and if the proposed increase will be fully funded by revenues from other than a levy of taxes upon the taxable property within the school district, the ballot shall contain the words "budget increase, yes" and "budget increase, no", and the voter shall signify the voter's desired choice. An election

held pursuant to this subsection shall be held on the first Tuesday after the first Monday of November. The ballot shall also contain the amount of the proposed increase of the proposed budget over the alternate budget and the following statement:

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

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

O. If the election provides for a levy of taxes on the taxable property within the school district, at least thirty days prior to the election, the department of revenue shall provide the school district governing board and the county school superintendent with an estimate of the school district's assessed valuation used for secondary property tax purposes for the ensuing fiscal year. The governing board and the county school superintendent shall use this estimate to translate the amount of the proposed dollar increase in the budget of the school district over that allowed by law into a tax rate figure.

P. If the voters in a school district vote to adopt a budget in excess of the revenue control limit as provided in subsection E or F of this section, any additional increase shall be included in the aggregate budget limit for each of the years authorized. Any additional increase shall be excluded from the determination of equalization assistance. The school district governing board may, however, levy on the assessed valuation used for secondary property tax purposes of the property in the school district the additional increase if adopted under subsection E of this section for the period of one year, two years or five through seven years as authorized. If an additional increase is approved as provided in subsection F of this section, the school district governing board may only use revenues derived from the school district's prior year's maintenance and operation fund ending cash balance to fund the additional increase. If a budget increase was previously authorized and will be in effect for the budget year or budget year and subsequent years, as provided in subsection E or F of this section, the governing board may request a new budget increase as provided in the same subsection under which the prior budget increase was adopted which shall not exceed the maximum amount permitted under subsection G of this section. If the voters in the school district authorize the new budget increase amount,

the existing budget increase no longer is in effect. If the voters in the school district do not authorize the budget increase amount, the existing budget increase remains in effect for the time period for which it was authorized. The maximum additional increase authorized as provided in subsection E or F of this section and the additional increase which is included in the aggregate budget limit is based on a percentage of a school district's revenue control limit in future years, if the budget increase is authorized for more than one year. If the additional increase:

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

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

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

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

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

R. If the voters in a school district vote to adopt a budget in excess of the capital outlay revenue limit as provided in subsection L of this section, any additional increase shall be included in the aggregate budget limit for each of the years authorized. The additional increase shall be excluded from the determination of equalization assistance. The school district governing board may, however, levy on the assessed valuation used for secondary property tax purposes of the property in the school district the additional increase for the period authorized but not to exceed ten years. For overrides approved by a vote of the qualified electors of the school district at an election held from and after October 31, 1998, the period of the additional increase prescribed in this subsection shall not exceed seven years for any capital override election.

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

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

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

V. The governing board may request that any override election be cancelled if any change in chapter 9 of this title changes the amount of the aggregate budget limit as provided in section 15-905. The request to cancel

the override election shall be made to the county school superintendent at least ten days prior to the date of the scheduled override election.

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

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

> The capital improvements that are proposed to be funded through this override election are to exceed the state standards and are in addition to monies provided by the state.
>
> _____ school district is proposing to increase its budget by $_____ to fund capital improvements over and above those funded by the state. Under the students first capital funding system, _____ school district is entitled to state monies for building renewal, new construction and renovation of school buildings in accordance with state law.

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

3. At least eighty-five days before the election, the school district shall submit proposed ballot language to the director of the Arizona legislative council. The director of the Arizona legislative council shall review the proposed ballot language to determine whether the proposed ballot language complies with this section. If the director of the Arizona legislative council determines that the proposed ballot language does not comply with this section, the director, within ten calendar days of the receipt of the proposed ballot language, shall notify the school district of the director's objections and the school district shall resubmit revised ballot language to the director for approval.

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

Y. Each school district that currently increases its budget pursuant to subsection L or M of this section is required to hold a public meeting each year between September 1 and October 31 at which an update of the progress of capital improvements financed through the override is discussed and at which the public is permitted an opportunity to comment. At a minimum, the update shall include a comparison of the current status and the original projections on the construction of capital improvements, the costs of capital improvements and the costs of capital improvements in progress or completed since the prior meeting and the future capital plans of the school district. The school district shall include in the public meeting a

discussion of the school district's use of state capital aid and voter-approved bonding in funding capital improvements, if any.

Z. If a budget in excess of the capital outlay revenue limit was previously adopted by the voters in a school district and will be in effect for the budget year or budget year and subsequent years, as provided in subsection L or M of this section, the governing board may request an additional budget in excess of the capital outlay revenue limit. If the voters in a school district authorize the additional budget in excess of the capital outlay revenue limit, the existing capital outlay revenue limit budget increase remains in effect.

Sec. 3. Repeal

Section 15-481, Arizona Revised Statutes, as amended by Laws 2006, chapter 354, section 12, is repealed.

Sec. 4. Section 15-491, Arizona Revised Statutes, as amended by Laws 2006, chapter 44, section 3 and chapter 217, section 5, is amended to read:

15-491. Elections on school property; exceptions

A. The governing board of a school district may, and upon petition of fifteen per cent of the school electors as shown by the poll list at the last preceding annual school election shall, call an election for the following purposes:

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

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

3. To decide whether the bonds of the school district shall be issued and sold for the purpose of raising money for purchasing or leasing school lots, for building or renovating school buildings, for improving school grounds, for purchasing pupil transportation vehicles or for liquidating any indebtedness already incurred for such purposes. Except as provided in section 15-1021, subsection H, the proceeds of class B bonds or impact aid revenue bonds shall not be used for soft capital purposes except for pupil transportation vehicles. A school district shall not issue class B bonds until the school district has obligated in contract the entire proceeds of any class A bonds issued by the school district. The total amount of class A and class B bonds issued by a school district shall not exceed the debt limitations prescribed in article IX, sections 8 and 8.1, Constitution of Arizona.

4. To lease for five or more years, as lessor or as lessee, school buildings or grounds. Approval by a majority of the school district electors voting authorizes the governing board to negotiate for and enter into a lease. The ballot shall list the school buildings or grounds for which a lease is sought. If the governing board does not enter into a lease of five or more years of the school buildings or grounds listed on the ballot within five years of the date of the election and the board continues to seek such a

lease, the governing board shall call a special election to reauthorize the board to negotiate for and to enter into a lease of five or more years.

B. No petition shall be required for the holding of the first election to be held in a joint common school district for any of the purposes specified in subsection A of this section. The notice of election required by section 15-492 shall be published in each of the counties which comprise the joint common school district. The certification of election results required by section 15-493 shall be made to the board of supervisors of the jurisdictional county.

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

D. The governing board shall order the election to be held in the manner prescribed in title 35, chapter 3, article 3. If a petition for an election has been filed with the governing board as provided in subsection A of this section, the board shall act upon the petition within sixty days by ordering the election to be held as provided in this subsection. If a school district bond election is scheduled for the same date a school district will hold an override election, the governing body shall deliver a copy of the notice of election and ballot to the county school superintendent who shall include the notice of election and ballot with the information report and ballot prepared for the override election. Mailing of the information required for both the override and bond elections shall constitute compliance with the notice provisions of this section.

E. The elections to be held pursuant to this section shall only be held on dates prescribed by section 16-204, except that elections held pursuant to this section to decide whether class B bonds shall be issued, OR ANY OTHER OBLIGATION INCURRED THAT WILL REQUIRE THE ASSESSMENT OF SECONDARY PROPERTY TAXES, shall only be held on the first Tuesday after the first Monday of November.

F. Subsection A, paragraph 2 of this section does not apply to the sale of school property if the market value of the school property is less than fifty thousand dollars.

G. Bond counsel fees, financial advisory fees, printing costs and paying agent and registrar fees for bonds issued pursuant to an election under this section shall be paid from either the amount authorized by the qualified electors of the school district or current operating funds. Bond election expenses shall be paid from current operating funds only.

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

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

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

_____ school district is proposing to issue class B general obligation bonds totaling $_____ to fund capital improvements over and above those funded by the state. Under the students first capital funding system, _____ school district is entitled to state monies for building renewal, new construction and renovation of school buildings in accordance with state law.

2. For a school district that is a joint technological education district, the ballot shall include the following statement:

_____, a joint technological education district, is proposing to issue class B general obligation bonds totaling $_____ to fund capital improvements at the main campus of the joint technological education district.

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

4. The ballot shall also contain the phrase "the issuance of these bonds will result in an annual levy of property taxes sufficient to pay the debt on the bonds".

5. At least eighty-five days before the election, the school district shall submit proposed ballot language to the director of the Arizona legislative council. The director of the Arizona legislative council shall review the proposed ballot language to determine whether the proposed ballot language complies with this section. If the director of the Arizona legislative council determines that the proposed ballot language does not comply with this section, the director, within ten calendar days of the receipt of the proposed ballot language, shall notify the school district of the director's objections and the school district shall resubmit revised ballot language to the director for approval.

6. No later than thirty-five days before a class B bond election conducted pursuant to this section, the school district shall mail a publicity pamphlet to each household that contains a qualified elector in the school district. The publicity pamphlet shall contain, at a minimum, the following information:

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

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

(c) The tax rate associated with each of the proposed capital improvements and the estimated cost of each capital improvement for the owner of a single family home that is valued at one hundred thousand dollars.

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

1. The ballot shall include the following statement:

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

_____ school district is proposing to issue impact aid revenue bonds totaling $_____ to fund capital improvements over and above those funded by the state. Under the students first capital funding system, _____ school district is entitled to state monies for building renewal, new construction and renovation of school buildings in accordance with state law.

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

3. At least eighty-five days before the election, the school district shall submit proposed ballot language to the director of the legislative council. The director of the legislative council shall review the proposed ballot language to determine whether the proposed ballot language complies with this section. If the director of the legislative council determines that the proposed ballot language does not comply with this section, the director, within ten calendar days of the receipt of the proposed ballot language, shall notify the school district of the director's objections and the school district shall resubmit revised ballot language to the director for approval.

4. No later than thirty-five days before an impact aid revenue bond election conducted pursuant to this section, the school district shall mail a publicity pamphlet to each household that contains a qualified elector in the school district. The publicity pamphlet shall contain, at a minimum, the following information:

(a) The date of the election.

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

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

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

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

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

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

J. If the voters approve the issuance of school district class B bonds or impact aid revenue bonds, the school district shall not use the bond proceeds for any purposes other than the proposed capital improvements listed in the publicity pamphlet, except that up to ten per cent of the bond proceeds may be used for general capital expenses, including cost overruns of proposed capital improvements.

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

Sec. 5. Repeal

Section 15-491, Arizona Revised Statutes, as amended by Laws 2006, chapter 354, section 13, is repealed.

Sec. 6. Heading repeal

The article heading of former title 23, chapter 2, article 8, Arizona Revised Statutes, is repealed.

Sec. 7. Delayed repeal

Section 36-2007, Arizona Revised Statutes, is repealed from and after June 30, 2008.

Sec. 8. Section 42-1116, Arizona Revised Statutes, as amended by Laws 2006, chapter 354, section 24, is amended to read:

42-1116. Disposition of tax revenues

A. The department shall promptly deposit, pursuant to sections 35-146 and 35-147, all monies it collects from the taxes administered pursuant to this article except the telecommunication services excise tax, separately accounting for each type of tax and each tax classification within each type of tax. At the same time the department of revenue shall also furnish copies of the transmittal schedules to the director of the department of administration.

B. Except as provided by subsection C of this section, the department shall deposit all monies and remittances received under this section to the credit of the following specific funds and accounts:

1. Amounts sufficient to meet the requirements for tax refunds to the tax refund account established in section 42-1117.

2. Amounts sufficient to meet the requirements of urban revenue sharing to the urban revenue sharing fund established in section 43-206.

3. Amounts collected pursuant to chapter 5, articles 1 and 5 of this title and section 42-5352, subsection A~~,~~ to the transaction privilege and severance tax clearing account established by section 42-5029.

4. Through June 30, 2010 amounts sufficient to meet the requirements of section 42-3104 to the corrections fund.

5. Amounts sufficient to meet the requirements of section 49-282, subsection B relating to the water quality assurance revolving fund.

6. All remaining monies to the state general fund.

C. From the monies and remittances received under this section, each month beginning July, 2001 the state treasurer shall transmit to the tourism and sports authority, established by title 5, chapter 8, for deposit in its facility revenue clearing account established by section 5-834~~, the greater of:~~

~~1.~~ one-twelfth of the amount reported by the department pursuant to section 43-209.

~~2. Two hundred ninety-two thousand dollars per month for the first twelve month period, increased in each subsequent twelve month period by an additional eight per cent over the prior twelve months' distribution.~~

Sec. 9. Repeal

Section 42-1116, Arizona Revised Statutes, as amended by Laws 2006, chapter 351, section 5, is repealed.

Sec. 10. Section 42-3203, Arizona Revised Statutes, as added by Laws 1997, chapter 150, section 59, is amended to read:

42-3203. Stamped packages required for cigarettes; exception

A. EXCEPT AS OTHERWISE PROVIDED IN THIS CHAPTER, all cigarettes on which a tax is imposed by this chapter shall be placed in packages or containers and on each package or container shall be affixed an official stamp described in section 42-3006~~, pursuant to~~ OR 42-3202.03. AN AFFIXED STAMP SHALL BE EVIDENCE THAT THE TAXES LEVIED BY sections 42-3052, ~~and~~ 42-3251 AND 42-3251.01 ARE PAID.

~~B. All cigarettes on which a tax is imposed by this chapter and which are sold or delivered by any distributor shall have affixed the luxury stamps described in section 42-3006.~~

B. EXCEPT AS PROVIDED IN SUBSECTION C OF THIS SECTION, CIGARETTE DISTRIBUTORS ARE LIABLE FOR AFFIXING OFFICIAL STAMPS OR OTHERWISE APPLYING TAX INDICIA TO CIGARETTES THAT ARE SUBJECT TO A TAX IMPOSED BY THIS CHAPTER. A LICENSED CIGARETTE DISTRIBUTOR SHALL APPLY A STAMP TO EACH PACKAGE OF CIGARETTES THAT IS SOLD OR DISTRIBUTED IN THIS STATE AND THAT IS SUBJECT TO TAX UNDER THIS CHAPTER, INCLUDING CIGARETTES THAT ARE SUBJECT TO TAX UNDER SECTION 42-3302. A LICENSED CIGARETTE DISTRIBUTOR SHALL APPLY A TAX EXEMPT

STAMP TO CIGARETTE PACKAGES THAT ARE NOT SUBJECT TO TAX UNDER SECTION 42-3304, SUBSECTION A, PARAGRAPH 2.

C. CIGARETTES THAT ARE SOLD, DISTRIBUTED OR TRANSFERRED BY A DISTRIBUTOR LICENSED PURSUANT TO SECTION 42-3201 TO SELL CIGARETTES ARE NOT REQUIRED TO HAVE AFFIXED THE LUXURY STAMPS DESCRIBED IN SECTION 42-3006 AT THE TIME THE CIGARETTES ARE SOLD, DISTRIBUTED OR TRANSFERRED TO ANOTHER LICENSED DISTRIBUTOR.

D. CIGARETTES THAT ARE EXEMPT FROM TAX UNDER 26 UNITED STATES CODE SECTION 5701 AND THAT ARE DISTRIBUTED ACCORDING TO FEDERAL REGULATIONS ARE NOT SUBJECT TO TAX AND DO NOT REQUIRE A STAMP UNDER THIS CHAPTER.

E. A RETAILER SHALL NOT OFFER FOR SALE CIGARETTES IN QUANTITIES THAT ARE NOT PACKAGED AS SUCH FOR SALE BY THE CIGARETTE MANUFACTURER.

F. CIGARETTE DISTRIBUTORS MAY APPLY STAMPS ONLY TO CIGARETTE PACKAGES THAT THE CIGARETTE DISTRIBUTORS HAVE DIRECTLY RECEIVED FROM A LICENSED CIGARETTE DISTRIBUTOR, LICENSED CIGARETTE MANUFACTURER OR LICENSED CIGARETTE IMPORTER.

Sec. 11. Section 42-3203, Arizona Revised Statutes, as amended by section 10 of this act, is amended to read:

42-3203. Stamped packages required for cigarettes; exception

A. Except as otherwise provided in this chapter, all cigarettes on which a tax is imposed by this chapter shall be placed in packages or containers and on each package or container shall be affixed an official stamp described in section 42-3006 or 42-3202.03. An affixed stamp shall be evidence that the taxes levied by sections 42-3052, 42-3251 and 42-3251.01 are paid.

B. Except as provided in subsection C of this section, cigarette distributors are liable for affixing official stamps or otherwise applying tax indicia to cigarettes that are subject to a tax imposed by this chapter. A licensed cigarette distributor shall apply a stamp to each package of cigarettes that is sold or distributed in this state and that is subject to tax under this chapter, including cigarettes that are subject to tax under section 42-3302. A licensed cigarette distributor shall apply a tax exempt stamp to cigarette packages that are not subject to tax under section 42-3304, subsection A, paragraph 2. A REGISTERED INDIVIDUAL DESCRIBED IN SECTION 42-3201, SUBSECTION C SHALL AFFIX THE STAMPS DESCRIBED IN SECTION 42-3006, SUBSECTION D TO ALL CIGARETTES THAT ARE SOLD, DISTRIBUTED OR TRANSFERRED TO THE REGISTERED INDIVIDUAL TO INDICATE THAT THE REGISTERED INDIVIDUAL HAS PAID ALL APPLICABLE TAXES ON THE CIGARETTES AND THAT THE CIGARETTES CANNOT BE SOLD, BARTERED, EXCHANGED OR OTHERWISE TRANSFERRED FROM THE REGISTERED INDIVIDUAL'S POSSESSION.

C. Cigarettes that are sold, distributed or transferred by a distributor licensed pursuant to section 42-3201 to sell cigarettes are not required to have affixed the luxury stamps described in section 42-3006 at the time the cigarettes are sold, distributed or transferred to another licensed distributor.

D. Cigarettes that are exempt from tax under 26 United States Code section 5701 and that are distributed according to federal regulations are not subject to tax and do not require a stamp under this chapter.

E. A retailer shall not offer for sale cigarettes in quantities that are not packaged as such for sale by the cigarette manufacturer.

F. Cigarette distributors may apply stamps only to cigarette packages that the cigarette distributors have directly received from a licensed cigarette distributor, licensed cigarette manufacturer or licensed cigarette importer.

Sec. 12. Repeal

A. Section 42-3203, Arizona Revised Statutes, as amended by Laws 2006, chapter 278, section 18, is repealed.

B. Section 42-3203, Arizona Revised Statutes, as amended by Laws 2006, chapter 278, section 19, is repealed.

Sec. 13. Section 48-4203, Arizona Revised Statutes, as amended by Laws 2002, chapter 149, section 1, is amended to read:

48-4203. Powers and duties of board of directors; conflict of interest

A. The board of directors, on behalf of the district, may:

1. Adopt and use a corporate seal.

2. Sue and be sued.

3. Enter into contracts, including intergovernmental agreements under title 11, chapter 7, article 3, as necessary to carry out the purposes and requirements of this chapter. The district may contract with a county sports authority established under title 11, chapter 5 to carry out any power of the district.

4. Adopt administrative rules as necessary to administer and operate the district and any property under its jurisdiction.

5. Adopt rules that allow weighted voting by board members and establish conditions for terminating the district.

6. Employ an executive director and administrative and clerical employees, or contract for other management personnel, and prescribe the terms and conditions of their employment as necessary to carry out the purposes of the district.

7. Acquire by any lawful means~~, including eminent domain consistent with section 48-4206,~~ and operate, maintain, encumber and dispose of real and personal property and interests in property. A DISTRICT ESTABLISHED UNDER SECTION 48-4202, SUBSECTION A MAY ACQUIRE REAL PROPERTY BY EMINENT DOMAIN. A DISTRICT ESTABLISHED UNDER SECTION 48-4202, SUBSECTION B SHALL NOT ACQUIRE REAL PROPERTY BY EMINENT DOMAIN.

8. Administer trusts declared or established for the district, receive and hold in trust or otherwise property located in or out of this state and, if not otherwise provided, dispose of the property for the benefit of the district.

9. Retain legal counsel and other consultants as necessary to carry out the purposes of the district.

B. THE BOARD OF DIRECTORS, ON BEHALF OF A DISTRICT ESTABLISHED PURSUANT TO SECTION 48-4202, SUBSECTION B, MAY:

~~10.~~ 1. Use revenues paid to the district pursuant to section 42-5031 and other revenues the district may receive from other sources, for the purposes set forth in section 48-4204, subsection B.

~~11.~~ 2. Enter into agreements with developers, contractors, tenants and other users of all or part of a multipurpose facility as determined appropriate.

~~12.~~ 3. Pledge all or part of the revenues described in section 42-5031, subsection B, to secure the district's bonds or other financial obligations issued or incurred under this chapter for the construction of all or part of a multipurpose facility.

~~B.~~ C. The board of directors shall:

1. Appoint from among its members a chairman, a secretary and such other officers as may be necessary to conduct its business. The board of directors may appoint the chief financial officer of the county as the district treasurer of a countywide district established under section 48-4202, subsection A. If the board does not appoint the chief financial officer, the county treasurer is designated ex officio as the treasurer. The board of directors of a district that is established pursuant to section 48-4202, subsection B shall designate ex officio an officer of one of the municipalities as treasurer of the district.

2. Keep and maintain a complete and accurate record of all its proceedings. All proceedings and records of the board shall be open to the public as required by title 38, chapter 3, article 3.1 and title 39, chapter 1.

3. Provide for the use, maintenance and operation of the properties and interests controlled by the district.

~~C.~~ D. The board of directors of a district that is established pursuant to section 48-4202, subsection B shall determine by agreement the distribution of revenues from operating and using the multipurpose facilities among the municipalities and any participating Indian tribe or community.

~~D.~~ E. The directors, officers and employees of the district are subject to title 38, chapter 3, article 8 relating to conflicts of interest.

~~E.~~ F. This state and political subdivisions of this state other than the district are not liable for any financial or other obligations of the district and the financial or other obligations do not constitute a debt or liability of this state or any political subdivision of this state, other than the district.

Sec. 14. Repeal

Section 48-4203, Arizona Revised Statutes, as amended by Laws 2006, chapter 376, section 4, is repealed.

Sec. 15. Laws 2005, chapter 322, section 2 is amended to read:

Sec. 2. Plan submission fees; appropriation

Notwithstanding the provisions of section 27-1233, subsection B, Arizona Revised Statutes, as added by this act, monies collected by the state mine inspector for submission of reclamation plans between January 1, 2006 and July 1, ~~2006~~ 2007 are appropriated to the state mine inspector for the purposes of plan review and evaluation.

Sec. 16. Repeal

Laws 2006, chapter 319, section 2 is repealed.

Sec. 17. Retroactive application

A. Sections 15 and 16 of this act apply retroactively to June 15, 2006.

B. Section 7 of this act applies retroactively to June 21, 2006.

C. Sections 13 and 14 of this act apply retroactively to September 21, 2006.

D. Sections 10 and 12 of this act apply retroactively to from and after September 30, 2006.

E. Section 6 of this act applies retroactively to January 1, 2007.

F. Sections 2, 3, 4, 5, 8 and 9 of this act apply retroactively to from and after June 30, 2007.

Sec. 18. Conditional enactment

Section 42-3203, Arizona Revised Statutes, as amended by section 11 of this act, is effective as prescribed in Laws 2006, chapter 278, section 34.

APPROVED BY THE GOVERNOR MAY 23, 2007.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 23, 2007.