

PROPOSED AMENDMENT
SENATE AMENDMENTS TO H.C.R. 2026
(Reference to House engrossed resolution)

1 Strike everything after the resolving clause and insert:

2 "1. Under the power of the referendum, as vested in the Legislature,
3 the following measure, relating to the repeal of the state equalization
4 assistance property tax, is enacted to become valid as a law if approved by
5 the voters and on proclamation of the Governor:

6 AN ACT

7 REPEALING SECTION 15-994, ARIZONA REVISED STATUTES; AMENDING
8 SECTION 41-1276, ARIZONA REVISED STATUTES; RELATING TO THE STATE
9 EQUALIZATION ASSISTANCE PROPERTY TAX.

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

11 Section 1. Repeal

12 Section 15-994, Arizona Revised Statutes, is repealed.

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

15 41-1276. Truth in taxation levy for equalization assistance
16 to school districts

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

21 1. The chairmen of the house of representatives ways and
22 means committee and the senate finance committee or their
23 successor committees.

1 2. The chairmen of the appropriations committees of the
2 senate and the house of representatives or their successor
3 committees.

4 B. The truth in taxation rates consist of the qualifying
5 tax rate for a high school district or a common school district
6 within a high school district that does not offer instruction in
7 high school subjects pursuant to section 15-971, subsection B,
8 paragraph 1, a qualifying tax rate for a unified district, a
9 common school district not within a high school district or a
10 common school district within a high school district that offers
11 instruction in high school subjects pursuant to section 15-971,
12 subsection B, paragraph 2 and a state equalization assistance
13 property tax rate pursuant to section 15-994 that will offset the
14 change in net assessed valuation of property that was subject to
15 tax in the prior year.

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

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

21 2. Determine the statewide primary net assessed value for
22 the current tax year, excluding the net assessed value of
23 property that was not subject to tax in the preceding year.

24 3. Divide the amount determined in paragraph 1 of this
25 subsection by the amount determined in paragraph 2 of this
26 subsection.

27 4. Adjust the qualifying tax rates and the state
28 equalization assistance property tax rate for the current fiscal
29 year by the percentage determined in paragraph 3 of this
30 subsection in order to offset the change in net assessed value.

31 D. Except as provided in subsections E and G of this
32 section, the qualifying tax rate for a high school district or a

1 common school district within a high school district that does
2 not offer instruction in high school subjects, the qualifying tax
3 rate for a unified school district, a common school district not
4 within a high school district or a common school district within
5 a high school district that offers instruction in high school
6 subjects and the state equalization assistance property tax rate
7 for the following fiscal year shall be the rate determined by the
8 joint legislative budget committee pursuant to subsection C of
9 this section. The committee shall transmit the rates to the
10 superintendent of public instruction and the county boards of
11 supervisors by March 15 each year.

12 E. If the legislature proposes either qualifying tax rates
13 or a state equalization assistance property tax rate that exceeds
14 the truth in taxation rate:

15 1. The house of representatives ways and means committee
16 and the senate finance committee or their successor committees
17 shall hold a joint hearing on or before February 28 and publish a
18 notice of a truth in taxation hearing that meets the following
19 requirements:

20 (a) The notice shall be published twice in a newspaper of
21 general circulation in this state that is published at the state
22 capital. The first publication shall be at least fourteen but
23 not more than twenty days before the date of the hearing. The
24 second publication shall be at least seven but not more than ten
25 days before the date of the hearing.

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

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

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

4 Truth in Taxation Hearing
5 Notice of Tax Increase

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

10 The proposed tax increase will cause the taxes on a
11 \$100,000 home to increase by \$_____.

12 All interested citizens are invited to attend a public
13 hearing on the tax increase that is scheduled to be held
14 _____ (date and time) at _____ (location).

15 (e) For purposes of computing the tax increase on a one
16 hundred thousand dollar home as required by the notice, the joint
17 meeting of the house of representatives ways and means committee
18 and the senate finance committee or their successor committees
19 shall consider the difference between the truth in taxation rate
20 and the proposed increased rate.

21 2. The joint meeting of the house of representatives ways
22 and means committee and the senate finance committee or their
23 successor committees shall consider any motion to recommend the
24 proposed tax rates to the full legislature by roll call vote.

25 F. In addition to publishing the truth in taxation notice
26 under subsection E, paragraph 1 of this section, the joint
27 meeting of the house of representatives ways and means committee
28 and the senate finance committee or their successor committees
29 shall issue a press release containing the truth in taxation
30 notice.

31 G. Notwithstanding any other law, the legislature shall
32 not adopt a state budget that provides for either qualifying tax

1 rates pursuant to section 15-971 or a state equalization
2 assistance property tax rate pursuant to section 15-994 that
3 exceeds the truth in taxation rates computed pursuant to
4 subsection A of this section unless the rates are adopted by a
5 concurrent resolution approved by an affirmative roll call vote
6 of two-thirds of the members of each house of the legislature
7 before the legislature enacts the general appropriations bill.
8 If the resolution is not approved by two-thirds of the members of
9 each house of the legislature, the rates for the following fiscal
10 year shall be the truth in taxation rates determined pursuant to
11 subsection C of this section and shall be transmitted to the
12 superintendent of public instruction and the county boards of
13 supervisors.

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

21 I. Pursuant to subsection C of this section, the
22 qualifying tax rate in tax year 2007 for a high school district
23 or a common school district within a high school district that
24 does not offer instruction in high school subjects as provided in
25 section 15-447 is \$1.6020 and for a unified school district, a
26 common school district not within a high school district or a
27 common school district within a high school district that offers
28 instruction in high school subjects as provided in section 15-447
29 is \$3.2040. ~~The state equalization assistance property tax rate~~
30 ~~in tax years 2006, 2007 and 2008 is zero. The state equalization~~
31 ~~assistance property tax rate in tax year 2009 shall be computed~~

1 ~~by annually adjusting the tax year 2005 rate of \$0.4358 as~~
2 ~~provided by this section through tax year 2009.~~

3 J. THIS STATE SHALL NOT LEVY, OR REQUIRE A POLITICAL
4 SUBDIVISION TO LEVY, AN AD VALOREM PROPERTY TAX FOR THE PURPOSE
5 OF PROVIDING EQUALIZATION ASSISTANCE TO SCHOOL DISTRICTS.

6 2. Conforming legislation

7 The legislative council staff shall prepare proposed legislation
8 conforming the Arizona Revised Statutes to the provisions of this measure for
9 consideration in the forty-ninth legislature, first regular session.

10 3. The Secretary of State shall submit this proposition to the voters
11 at the next general election as provided by article IV, part 1, section 1,
12 Constitution of Arizona."

13 Amend title to conform

ROBERT "BOB" BURNS

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C: dmt