

ATRA SUPPORTS SB1188

Ensuring Oversight of School District Property Taxes

Background

School district property taxes make up 55.4% of local primary property taxes. The remaining portion of a primary property tax bill is divided between counties, community colleges, cities and towns. The property taxes levied by counties, community colleges, cities and towns are subject to constitutional levy limits and oversight provided by the Property Tax Oversight Commission (PTOC). The PTOC has been very effective at ensuring compliance with these constitutional limits.

School property taxes, on the other hand, are primarily limited through state law (A.R.S. § 15-991). This section of statute limits school district property taxes to the additional amounts needed for a school district to fund its authorized budget after applying the school district's other revenues. But this limit is not subject to oversight by the PTOC.

Basis for ATRA's Support

SB1188 extends oversight to the PTOC to ensure that the current limit on school district primary property taxes is not ignored.

Current statutes require county school superintendents to determine the amount of primary property taxes a school district needs to levy in order to fund its authorized expenditures. This bill adds a requirement that after performing these calculations the county school superintendents' offices forward the calculations to the PTOC.

Requiring these calculations to be forwarded to the PTOC will ensure that the county school superintendents' offices perform these calculations. This will ensure that the existing limits on school district property taxes are properly applied.

SB1188 passed the Senate Education Committee with a vote of 5-0.



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