Background:
State statutes equalize funding for public schools across the state. The Legislature has established formulas to guarantee equalized funding for school districts, known as the equalization base, and a school capital finance mechanism.

The largest part of the equalization base, the revenue control limit (RCL), caps the maintenance and operations (M&O) budget of a school district. M&O budgets for school districts fund ongoing, noncapital expenses, such as salaries and benefits. Also part of the equalization base is the capital outlay revenue limit (CORL), which limits the budget for the capital needs of a district, like textbooks and furniture.

When the RCL and/or CORL do not meet a school district’s budgetary needs, the district may ask voters for a temporary override of its budget by up to 15% for M&O and 10% for capital. School districts may also go to voters to approve bonds to finance capital improvements, with capacity limited to 10% of the secondary net assessed value (SNAV) in a unified district and 5% of the SNAV in elementary and high school districts. Both overrides and debt service for bonds are funded by a property tax levied against the SNAV within the district.

A school district that proposes an override must order the election at least 90 days before the election. At least 40 days before the election, the county superintendent must prepare and transmit an informational report and sample ballot to the school district, and within 35 days, the district must mail the publicity pamphlet to each voter in the district. That pamphlet contains the estimates of the budget and the tax impacts of the override, as well as the pro and con statements on the question. The same holds true for bond elections proposed by all governmental entities.

Basis for ATRA’s Support:
With the Senate floor amendment, HB2760 will require governmental entities to publicly declare the deadline for submission of arguments for or against a proposed bond or override election and publish the deadline either on the entity’s website or in a newspaper of general circulation. This measure will provide transparency in bond and override elections by allowing taxpayers the opportunity to offer input on the proposed tax increase.

This proposal also amends existing conflicting statutes by requiring the Department of Revenue to provide the current net assessed values (NAV) to the governmental entity to be used in the publicity pamphlets for the estimated property tax impact of the proposed bond or override. This clarification will give taxpayers the most accurate depiction of tax rates for the duration of the bond or override.

ATRA ASKS FOR YOUR SUPPORT OF HB2760!