

REFERENCE TITLE: permanent school fund; distribution; uses

State of Arizona
Senate
Fifty-sixth Legislature
Second Regular Session
2024

SCR 1040

Introduced by
Senator Mesnard

A CONCURRENT RESOLUTION

ENACTING AND ORDERING THE SUBMISSION TO THE PEOPLE OF A MEASURE RELATING
TO THE PERMANENT STATE SCHOOL FUND.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it resolved by the Senate of the State of Arizona, the House of
2 Representatives concurring:

3 1. Under the power of the referendum, as vested in the Legislature,
4 the following measure, relating to the permanent state school fund, is
5 enacted to become valid as a law if approved by the voters and on
6 proclamation of the Governor:

7 AN ACT

8 AMENDING SECTION 37-521, ARIZONA REVISED STATUTES; RELATING TO
9 THE PERMANENT STATE SCHOOL FUND.

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

11 Section 1. Section 37-521, Arizona Revised Statutes, is
12 amended to read:

13 37-521. Permanent state school fund; composition; use

14 A. After any appropriation pursuant to section 37-527,
15 the permanent state school fund shall consist of:

16 1. The proceeds of all lands granted to this state by
17 the United States for the support of common schools.

18 2. All property ~~which~~ THAT accrues to this state by
19 escheat or forfeiture.

20 3. All property donated for the benefit of the common
21 schools, unless the terms of the donation otherwise provide.

22 4. All unclaimed shares and dividends of any
23 corporation incorporated under the laws of this state.

24 5. The proceeds of sale of timber, mineral, gravel or
25 other natural products or property from school lands and state
26 lands other than those granted for specific purposes.

27 6. The residue of the lands granted for payment of the
28 bonds and accrued interest issued by Maricopa, Pima, Yavapai
29 and Coconino counties, after the purpose of the grant has been
30 satisfied, and the five percent of the proceeds of sales of
31 public lands lying within this state sold by the United States
32 subsequent to admission of this state into the union, as
33 granted by the enabling act.

34 B. The fund shall be and remain a perpetual fund, and
35 distributions from the fund pursuant to article X, section 7,
36 Constitution of Arizona, plus monies derived from the rental
37 of the lands and property, interest and accrued rent for that
38 year credited pursuant to section 37-295 and interest paid on
39 installment sales, shall be used as follows:

40 1. BEGINNING IN FISCAL YEAR 2025-2026, IF THE AMOUNT OF
41 MONIES AVAILABLE PURSUANT TO THIS SUBSECTION EXCEEDS THE
42 AMOUNT REQUIRED PURSUANT TO PARAGRAPH 5 OF THIS SUBSECTION AND
43 if there are outstanding state school facilities revenue bonds
44 pursuant to title 41, chapter 56, article 6, outstanding
45 qualified zone academy bonds pursuant to title 41, chapter 56,

1 article 7 or outstanding state school trust revenue bonds
2 issued to correct existing deficiencies, the state treasurer
3 and the state land department shall annually transfer to the
4 ~~state~~ school facilities revenue bond debt service fund
5 established ~~in~~ PURSUANT TO section 41-5754, the ~~state~~ school
6 improvement revenue bond debt service fund established ~~in~~
7 PURSUANT TO section 41-5784 and the state school trust revenue
8 bond debt service fund the amount that is necessary to pay
9 that fiscal year's debt service on outstanding state school
10 facilities revenue bonds, qualified zone academy bonds and
11 state school trust revenue bonds, ~~before transferring amounts~~
12 ~~for any other uses.~~

13 2. If there are no outstanding state school facilities
14 revenue bonds pursuant to title 41, chapter 56, article 6 or
15 if the amount of monies available under this subsection
16 exceeds the amount required under ~~paragraph~~ PARAGRAPHS 1 AND 5
17 of this subsection, the monies are subject to legislative
18 appropriation to the new school facilities fund established by
19 section 41-5741.

20 3. If the amount of monies available under this
21 subsection exceeds the amount required under paragraphs 1, ~~and~~
22 2 AND 5 of this subsection, the legislature may annually
23 appropriate an amount to be used as provided in section
24 15-971, subsection G, except that the amount appropriated may
25 not exceed the amount appropriated from the permanent state
26 school fund and from the rent and interest paid on installment
27 sales for this purpose in fiscal year 2000-2001.

28 4. Notwithstanding paragraphs 1, 2, ~~and~~ 3 AND 5 of this
29 subsection, from and after June 30, 2001, any expendable
30 earnings under this subsection that exceed the fiscal year
31 2000-2001 expendable earnings shall be deposited in the
32 classroom site fund established by section 15-977.

33 5. BEGINNING IN FISCAL YEAR 2025-2026, TO PROVIDE
34 GUARANTEED FINANCING FOR COMMON SCHOOLS, INCLUDING DEBT
35 OBLIGATIONS THAT ARE ISSUED ON BEHALF OF A SCHOOL DISTRICT OR
36 CHARTER SCHOOL, TO ACQUIRE, CONSTRUCT, RENOVATE, EQUIP,
37 REFINANCE OR IMPROVE CAPITAL FACILITIES THAT ARE CONSISTENT
38 WITH THE LAWS OF THIS STATE. THE STATE TREASURER AND STATE
39 LAND DEPARTMENT MAY NOT TRANSFER ANY MONIES PURSUANT TO THIS
40 SECTION BEFORE MEETING ALL THE OBLIGATIONS GUARANTEED PURSUANT
41 TO THIS PARAGRAPH.

42 2. The Secretary of State shall submit this proposition to the
43 voters at the next general election as provided by article IV, part 1,
44 section 1, Constitution of Arizona.