

**BALLOT PROPOSITION #300**  
**State School Trust Land Revenues**

*Fiscal Impact Summary*

Proposition 300 continues the current method of providing funding to schools. As a result, Proposition 300 is not estimated to have an impact on state expenditures.

	FISCAL YEAR		
	2003	2004	2005
<b>STATE EXPENDITURES</b>			
Classroom Site Fund	\$-0-	\$-0-	\$-0-
State General Fund	\$-0-	\$-0-	\$-0-

**FISCAL ANALYSIS**

**Description**

Proposition 300 would apply “voter protection” to language in A.R.S. § 37-521 that currently allocates growth in state school trust land revenues above the FY 2001 level to the Classroom Site Fund (CSF). (The CSF was established by “Education 2000” [Proposition 301] from the November 2000 General Election). With “voter protection,” a “¾ majority” vote would be required if future Legislatures wanted to reduce or eliminate this allocation, whereas under current law only a “simple majority” vote would be required.

**Estimated Impact**

We estimate that Proposition 300 would have no impact on CSF or State General Fund expenditures. This assumes that the Legislature would continue to allocate all growth in state school trust land revenues to the CSF each year even without voter protection, as has been the case for the first 2 years of CSF operation.

**Analysis**

During the November 1998 General Election, Arizona voters approved the “Voter Protection Act” (Proposition 105), which limited the ability of the Legislature to change voter-approved measures (initiatives and referendums). Specifically, Proposition 105 prohibits the Legislature from changing such measures unless the change “furthers the purposes” of the measure and only if both chambers of the Legislature enact the change with a “¾ majority roll call vote.” (Only a “simple majority” vote is required for most statutory changes under current law.) These new restrictions are often referred to as “voter protection” and were incorporated into the State Constitution (Article IV, Part 1, Subsection 15) because of voter approval of Proposition 105.

In November 2000 (2 years after the “Voter Protection Act” became law), voters also approved Proposition 301 (“Education 2000”), which authorized a new 0.6 cent sales tax for education and allocated most of those new revenues to the CSF. Because it was “voter approved,” the language in Proposition 301 is “voter protected.” Most features of Education 2000, however, are not “voter protected” because they were authorized by Laws 2000, Chapter 1, 5<sup>th</sup> Special Session (the “Proposition 301 companion bill”) rather than by Proposition 301 itself. This includes changes to A.R.S. § 37-521 that earmark all growth in state school trust land revenues after FY 2001 to the CSF. Proposition 300 therefore seeks to place “voter protection” on the language in A.R.S. §37-521.

(Continued)

**Analysis (Cont'd)**

The Legislature has not attempted to divert school trust land revenues from the CSF for the initial 2 years of CSF operation. We have no basis for assuming that it would change this policy in the future and therefore assume that "voter protection" under Proposition 300 would have no effect on expenditures from the CSF or State General Fund.

Proposition 300 also would amend A.R.S. § 37-521 in order to clarify that state school trust land revenues consist of monies from both the State Treasurer and State Land Department. It also would clarify that state school trust land revenues include interest paid on installment sales of state trust lands. Neither of these changes would have a fiscal impact because they simply reflect current practice.

**Local Government Impact**

Proposition 300 would not have a local government impact under the assumptions of this analysis.

7/18/02

This estimate was prepared by Steve Schimpp (602-542-5491).
---