



DEPARTMENT OF LAW  
OFFICE OF THE  
**Attorney General**  
STATE CAPITOL  
Phoenix, Arizona 85007

September 12, 1975

75-326  
(R75-540)  
BRUCE E. BABBITT  
ATTORNEY GENERAL

Honorable Anne Lindeman  
State Representative  
Arizona House of Representatives  
Phoenix, Arizona 85007

**LAW LIBRARY**  
**ARIZONA ATTORNEY GENERAL**

RE: Educational Secured Property Tax Reduction for  
Real Property Not Located in any School District

Dear Representative Lindeman:

This letter is in response to your letter of September 8, 1975 requesting an opinion as to whether or not real property which is not located in any school district and upon which the lieu tax provided by A.R.S. § 42-511 is levied qualifies for the Educational Secured Tax Reduction.

The lieu tax imposed by A.R.S. § 42-511 is levied and collected on all real property and improvements thereto not located in any school district. The monies received from this tax are placed in the state school fund for distribution to common and high school districts. A.R.S. § 15-1603.

The statute which delineates the properties which are eligible for the Education Secured Property Tax Reduction and the determination of such reduction is A.R.S. § 42-371(A) which provides:

A. Except as otherwise provided in this subsection, for each tax year beginning with the tax year 1974 the county board of supervisors, subject to legislative appropriation therefor, shall reduce the property tax to be collected for common and high school districts on each parcel of property included in class five in accordance with § 42-136, from the level computed pursuant to § 42-309 in the following manner:

1. For eligible property in common school districts:

(a) Multiply the basic support level per state supported classroom as determined



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pursuant to § 15-1202.03 by the number of state supported classrooms in the district as defined by § 15-1601.

(b) Divide the budget cost level for the district by the product produced in subdivision (a).

(c) If the quotient determined in subdivision (b) is less than 1.3, proceed as follows:

(i) Compute the district tax rate needed which with state aid will produce the total revenue required to fund the budget cost level.

(ii) From the rate produced in item (i), subtract ten cents.

(iii) Apply the rate produced in item (ii) to the assessed valuation of each eligible property in the district which amount shall be the property tax reduction to which the taxpayer is eligible.

(d) If the quotient determined in subdivision (b) is greater than 1.3, proceed as follows:

(i) Compute the district tax rate needed which with state aid would produce the total revenue required to fund a budget cost level equal to the amount produced in subdivision (a) multiplied by 1.3.

(ii) From the rate produced in item (i), subtract ten cents.

(iii) Apply the rate produced in item (ii) to the assessed valuation of each eligible property in the district which amount shall be the property tax reduction to which the taxpayer is eligible.

2. For eligible property in high school districts:

(a) Multiply the basic support level per state supported classroom as determined pursuant to § 15-1202.03 by the number of state supported classrooms in the district as defined by § 15-1601.

(b) Divide the budget cost level for the district by the product produced in subdivision (a).

(c) If the quotient determined in subdivision (b) is less than 1.3, proceed as follows:

(i) Compute the district tax rate needed which with state aid will produce the total revenue required to fund the budget cost level.

(ii) From the rate produced in item (i) subtract ten cents.

(iii) Apply the rate produced in item (ii) to the assessed valuation of each eligible property in the district which amount shall be the property tax reduction to which the taxpayer is entitled.

(d) If the quotient determined in subdivision (b) is greater than 1.3, proceed as follows:

(i) Compute the district tax rate needed which with state aid would produce the total revenue required to fund a budget cost level equal to the amount produced in subdivision (a) multiplied by 13.

(ii) From the rate produced in item (i), subtract ten cents.

(iii) Apply the rate produced in item (ii) to the assessed valuation of each eligible property in the district which amount shall be the property tax reduction to which the taxpayer is entitled.

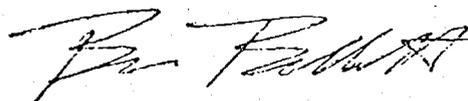
The initial language of subsection A states that: "the county board of supervisors . . . shall reduce the property tax to be collected for common and high school districts . . . ." A tenuous argument may be made that this language encompasses the lieu tax imposed by A.R.S. § 42-511. However, it appears to us that this language refers only to the property taxes collected for the individual school districts and not to the lieu tax collected pursuant to A.R.S. § 42-511. Subsection A must be construed as a whole and it only provides for the computation of a refund for "eligible property in common school districts", subsection A(1), and for "eligible property in high school districts", subsection A(2). There is no provision for calculating a refund for property not located in any school district.

Even if it were assumed that property not located in any school district were eligible for the refund and the refund were calculated under subsection A(1) or A(2), the calculable refund would be zero. This results because there are no common or high schools to support in those areas which are outside of the common and high school districts and, therefore, there are no "state supported classrooms" or budget costs levels". The figures which would be inserted for these quantities to calculate the refund are zero and the refund is, therefore, zero.

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The fact that these statutes were passed on the same day by the same session of the Legislature would indicate, as a matter of legislative construction, that the statutes are to be construed so as to harmonize both. State v. Cassius, 110 Ariz. 485, 520 P.2d 1109 (1974); Arizona State Board of Directors v. Phoenix H. S. District, 102 Ariz. 69, 424 P.2d 819 (1967); State v. Jaadstad, 43 Ariz 458, 32 P.2d 799 (1934); Bank of Lowell v. Cox, 35 Ariz. 403, 379 P.257 (1929). Accordingly, it must be assumed that the Legislature intended to provide no Educational Secured Property Tax Reduction for such properties. Phoenix Title & Trust Co. v. Burns, 96 Ariz. 332, 395 P.2d 523 (1964); Lewis v. Industrial Commission, 93 Ariz. 324, 380 P.2d 782 (1963).

Very truly yours,



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