

Qasimyar vs. Maricopa County Judgment Frequently Asked Questions for School Districts

Disclaimer: Responses to these frequently asked questions are for informational purposes only and not to be considered recommendations or legal advice. It is a district's responsibility to determine the most appropriate strategy within applicable laws and regulations.

1. When will the taxpayer refunds be processed?

The [Maricopa County Treasurer's Office](#) began processing taxpayer refunds in the in August 2024 and anticipates processing all refunds in the first half of fiscal year 2025 (August 2024 – December 2024). The transactions will appear as a negative revenue entry in TAF 001.

2. Does a district need to authorize the Maricopa County Treasurer's Office for the refunds?

No. The Treasurer's Office will be processing refunds directly from taxing districts' accounts. It is not a district expense and will not be recorded in a district's general ledger.

3. How should districts account for the negative cash entries from the Treasurer's Office in their general ledger?

CSS worked with staff from auditing firm HeinfeldMeech to establish the process of accounting for the negative cash entries for non-pilot districts for which our office posts revenue. We will provide examples of accounting for the revenue transaction in the district's GL available to all districts in Maricopa County. It is also recommended districts discuss the appropriate GL entries with their auditors to ensure compliance.

4. Are districts required to adopt a resolution to request a state aid recalculation for the years affected by the judgment?

No. HB2909/SB1747 approved on June 15, 2024, requires ADE to recalculate state aid for all districts affected by the Qasimyar Judgment without a resolution for this instance only. The state aid recalculation likely will occur in the second half of FY25.

5. Does the state aid recalculation resolution/request mean the state is going to pay for the judgement?

No. State aid recalculation only applies to the distribution of cash between local taxpayers and the state general fund. The net assessed value (NAV) will change for affected districts for tax years 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023. The process for state aid recalculation uses the corrected NAV to determine what the district's state aid payment should have been for the affected years and will credit the difference. This payment would be subtracted from any local levies needed

for a remaining cash deficit. State aid payments are expected in FY2025 and will appear as adjustments in district's FY25 BSA64 report as a positive adjustment.

6. How does a district notify of its intent to use inaccessible cash or other offsets such as the use of Tax Anticipation Notes (TANs) for the judgment in lieu of levying for cash?

Maricopa County School Superintendent's Office assisted in collecting needed information from each district while establishing FY2025 tax rates. Maricopa County approved FY2025 tax rates on August 19, 2024, and tax rate reports are available on the [CSS website](#).

7. Does a district have to request a levy for additional cash if it intends to use inaccessible cash or if the repayment does not cause a cash deficit?

No. Per HB2909/SB1747 "Notwithstanding any other law, for fiscal year 2024-2025, a governing board of a school district that is subject to a tax judgment ordered in Qasimyar v. Maricopa County, Arizona Tax Court No. TX2016-000882 may use any portion of the school district's total ending cash balances as of June 30, 2023 from the school district's maintenance and operations fund or unrestricted capital outlay fund reported in the school district's annual financial report for fiscal year 2022-2023 pursuant to section 15-904, Arizona Revised Statutes, that was not included in the school district's adopted budget for fiscal year 2023-2024 pursuant to section 15-905, Arizona Revised Statutes, to pay property tax refunds in fiscal year 2024-2025."

8. When can districts levy for any cash shortage caused by the taxpayer refunds? Did the approval of HB2909/SB1747 make changes to allow districts to levy for the cash deficit in tax year 2024/FY25?

Yes. HB2909/SB1747 states:

"Each school district that is subject to a tax judgment ordered in Qasimyar v. Maricopa County, Arizona Tax Court No. TX2016-000882 shall:

1. Subtract the estimated amount of the state aid adjustment made pursuant to subsection A, paragraph 1 of this section from the amount of the tax judgment ordered for fiscal year 2024-2025. This is the maximum amount of a cash deficit resulting from the tax judgment that the school district may levy pursuant to section 15-992, subsection G, paragraph 10, Arizona Revised Statutes, in fiscal year 2024-2025."

The levies in fiscal year 2024-2025 were levied using good faith estimates of the state aid recalculation and the estimated Qasimyar judgment value provided by the Arizona Department of Education and Maricopa County Treasurer's Office respectively, with reconciliation or adjustments being possible in later tax years. Finalized state aid adjustments and judgment values should be available later in fiscal year 2024-2025.

For additional information about the Qasimyar Class Action Lawsuit, please refer to the [Maricopa County Assessor's Office](#) and the [Maricopa County Treasurer's Office](#).