

State of Arizona  
House of Representatives  
Fifty-third Legislature  
First Regular Session  
2017

# HOUSE BILL 2326

AN ACT

AMENDING SECTIONS 48-261, 48-262, 48-820 AND 48-822, ARIZONA REVISED  
STATUTES; RELATING TO SPECIAL TAXING DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 48-261, Arizona Revised Statutes, is amended to  
3 read:

4 48-261. District creation: procedures: notice: hearing:  
5 determinations: petitions

6 A. A fire district, community park maintenance district, sanitary  
7 district or hospital district for either a hospital or an urgent care  
8 center shall be created by the following procedures:

9 1. Any adult person desiring to propose creation of a district  
10 shall provide a legal description of the area proposed for inclusion in  
11 the district to the county assessor of the county in which the district is  
12 to be located. The county assessor shall provide to the person proposing  
13 formation of the district a detailed list of all taxable properties in the  
14 area proposed for inclusion in the district. The person proposing  
15 formation of the district shall prepare and submit a district impact  
16 statement to the board of supervisors of the county in which the district  
17 is to be located. THE COUNTY ASSESSOR'S PARCEL MAP AND THE ASSESSED  
18 VALUATION OF THE PROPERTIES AS PRESCRIBED BY SECTION 42-17052 AND AS SHOWN  
19 IN THE COUNTY ASSESSOR'S RECORDS AT THE TIME THE DISTRICT IMPACT STATEMENT  
20 IS SUBMITTED ARE DEEMED SUFFICIENT FOR ANY REQUIRED MAPS AND FOR  
21 DETERMINING THE ASSESSED VALUATIONS PRESCRIBED BY THIS SECTION. Except  
22 for a proposed community park maintenance district that is to be located  
23 in more than one county, if a proposed district is located in more than  
24 one county, the impact statement shall be submitted to the board of  
25 supervisors of the county in which the majority of the assessed valuation  
26 of the proposed district is located. The boards of supervisors of any  
27 other counties in which a portion of the district is to be located shall  
28 provide information and assistance to the responsible board of  
29 supervisors. For a community park maintenance district that is to be  
30 located in more than one county, the impact statement shall be submitted  
31 to the board of supervisors for each of the affected counties. If the  
32 person desiring to create a district pursuant to this section is unable to  
33 complete the district impact statement, the board of supervisors may  
34 assist in the completion of the impact statement if requested to do so,  
35 provided the bond required in subsection C of this section is in an amount  
36 sufficient to cover any additional cost to the county. The district  
37 impact statement shall contain at least the following information:

38 (a) A legal description of the boundaries of the proposed district  
39 and a map and a general description of the area to be included in the  
40 district sufficiently detailed to permit a property owner to determine  
41 whether a particular property is within the proposed district.

42 (b) The detailed list of taxable properties provided by the  
43 assessor pursuant to this paragraph.

44 (c) An estimate of the assessed valuation within the proposed  
45 district.

1 (d) An estimate of the change in the property tax liability, as a  
2 result of the proposed district, of a typical resident of the proposed  
3 district.

4 (e) A list and explanation of benefits that will result from the  
5 proposed district.

6 (f) A list and explanation of the injuries that may result from the  
7 proposed district.

8 (g) The names, addresses and occupations of the proposed members of  
9 the district's organizing board of directors.

10 (h) A **GENERAL** description of the scope of services to be provided  
11 by the district during its first five years of operation. At a minimum  
12 this description shall include an estimate of anticipated capital  
13 expenditures, personnel growth and enhancements to service.

14 2. On receipt of the district impact statement, the board of  
15 supervisors shall set a day, at least thirty but not more than sixty days  
16 ~~from~~ **AFTER** that date, for a hearing on the impact statement. The board of  
17 supervisors, at any time before making a determination pursuant to  
18 paragraph 4 of this subsection, may require that the impact statement be  
19 amended to include any information that the board of supervisors deems to  
20 be relevant and necessary.

21 3. On receipt of the district impact statement, the clerk of the  
22 board of supervisors shall mail, by first class mail, notice of the day,  
23 hour and place of the hearing on the proposed district to each owner of  
24 taxable property within the boundaries of the proposed district. The  
25 written notice shall state the purpose of the hearing and shall state  
26 where a copy of the impact statement may be viewed or requested. The  
27 clerk of the board of supervisors shall post the notice in at least three  
28 conspicuous public places in the area of the proposed district and shall  
29 publish twice in a daily newspaper of general circulation in the area of  
30 the proposed district, at least ten days before the hearing, or, if no  
31 daily newspaper of general circulation exists in the area of the proposed  
32 district, at least twice at any time before the date of the hearing, a  
33 notice setting forth the purpose of the impact statement, the description  
34 of the area of the proposed district and the day, hour and place of the  
35 hearing.

36 4. At the hearing called pursuant to paragraph 2 of this  
37 subsection, the board of supervisors shall hear those who appear for and  
38 against the proposed district and shall determine whether the creation of  
39 the district will promote public health, comfort, convenience, necessity  
40 or welfare. If the board of supervisors determines that the public  
41 health, comfort, convenience, necessity or welfare will be promoted, it  
42 shall approve the district impact statement and authorize the ~~persons~~  
43 ~~proposing the district to circulate~~ **CIRCULATION OF** petitions as provided  
44 in this subsection. For a community park maintenance district that is  
45 required to obtain the approval of more than one county's board of

1 supervisors, the petitions may only be circulated after approval of the  
2 board of supervisors from each affected county. The order of the board of  
3 supervisors shall be final, but if the request to circulate petitions is  
4 denied, a subsequent request for a similar district may be refiled with  
5 the board of supervisors after six months from the date of the denial.  
6 The county board of supervisors shall authorize the circulation of  
7 petitions of only one proposed new district of the same type in which any  
8 property owner's land is proposed for inclusion. A new petition  
9 circulation shall not be authorized until the one-year period to submit  
10 signatures prescribed by paragraph 6 of this subsection of the original  
11 petition circulation has expired or has otherwise been extinguished.

12 5. Within fifteen days after receiving the approval of the board of  
13 supervisors as prescribed by paragraph 4 of this subsection, the clerk of  
14 the board shall determine the minimum number of signatures and assessed  
15 valuation required for compliance with paragraph 7 of this subsection.  
16 After making that determination, the number of signatures shall remain  
17 fixed and the assessed valuation of the taxable properties within the  
18 boundaries of the proposed district shall remain fixed AS PRESCRIBED IN  
19 THIS SUBSECTION for THE purposes of determining compliance with the  
20 property valuation requirement prescribed in paragraph 7 of this  
21 subsection.

22 6. After receiving the approval of the board of supervisors as  
23 provided in paragraph 4 of this subsection, any adult person may circulate  
24 and present petitions to the board of supervisors of the county in which  
25 the district is located. All petitions circulated shall be returned to  
26 the board of supervisors within one year from the date of the approval of  
27 the board of supervisors pursuant to paragraph 4 of this subsection. Any  
28 petition that is returned more than one year from that date is void.

29 7. The petitions presented pursuant to paragraph 6 of this  
30 subsection shall comply with the provisions regarding verification in  
31 section 48-266 and shall:

32 (a) At all times, contain a map and general description of the  
33 boundaries of the proposed district sufficiently detailed to permit a  
34 property owner to determine whether a particular property is within the  
35 proposed district and the names, addresses and occupations of the proposed  
36 members of the district's organizing board of directors. An alteration of  
37 the proposed district shall not be made after receiving the approval of  
38 the board of supervisors as provided in paragraph 4 of this subsection.  
39 The items required to be contained with the petition under this  
40 subdivision shall be printed on the back of the petition form required  
41 pursuant to section 48-266 unless the size of the items precludes  
42 compliance with this requirement. An error in the legal description of  
43 the proposed district shall not invalidate the petitions if considered as  
44 a whole the information provided is sufficient to identify the property as  
45 illustrated in the map required pursuant to this subdivision.

1 (b) Be signed by owners of more than one-half of the taxable  
2 property units in the area of the proposed district and be signed by  
3 persons owning collectively more than one-half of the assessed valuation  
4 of the property in the area of the proposed district. Property exempt  
5 pursuant to title 42, chapter 11, article 3 shall not be considered in  
6 determining the total assessed valuation of the proposed district nor  
7 shall owners of property not subject to taxation be eligible to sign  
8 petitions.

9 8. On receipt of the petitions, including any supplemental  
10 signatures, and the report of the county assessor, the board of  
11 supervisors shall set a day for a hearing on the petition.

12 9. Before the hearing called pursuant to paragraph 8 of this  
13 subsection, the board of supervisors shall determine the validity of the  
14 petitions presented.

15 10. At the hearing called pursuant to paragraph 8 of this  
16 subsection, the board of supervisors, if the petitions are valid, shall  
17 order the creation of the district. The board of supervisors shall enter  
18 its order setting forth its determination in the minutes of the meeting,  
19 not later than ten days ~~from~~ AFTER the day of the hearing, and a copy of  
20 the order shall be filed in the county recorder's office. The order of  
21 the board of supervisors shall be final, and the proposed district shall  
22 be created thirty days after the board of supervisors votes to create the  
23 district, except that for a community park maintenance district that is  
24 proposed for more than one county, the proposed district is created thirty  
25 days after the approval of the board of supervisors of the final county of  
26 the counties in which the district is to be located. A decision of the  
27 board of supervisors under this subsection is subject to judicial review  
28 under title 12, chapter 7, article 6.

29 B. For the purpose of determining the validity of the petitions  
30 presented pursuant to subsection A, paragraph 6 of this section:

31 1. Property held in multiple ownership shall be treated as if it  
32 had only one property owner, and the signature of only one of the owners  
33 of property held in multiple ownership is required on the formation  
34 petition. The number of persons owning property inside the boundaries of  
35 the proposed district shall be determined as follows:

36 (a) In the case of property assessed by the county assessor, the  
37 number of persons owning property shall be as shown on the most recent  
38 assessment of property.

39 (b) In the case of property valued by the department of revenue,  
40 the number of persons owning property shall be as shown on the most recent  
41 valuation of property.

42 (c) If an undivided parcel of property is owned by multiple owners,  
43 those owners are deemed to be one owner for the purposes of this section.

44 (d) If a person owns multiple parcels of property, that owner is  
45 deemed to be a single owner for the purposes of this section.

1           2. The value of property shall be determined as follows:

2           (a) In the case of property assessed by the county assessor, values  
3 shall be the same as those shown on the ~~last assessment roll of the county~~  
4 ~~containing the property~~ DAY THE DISTRICT IMPACT STATEMENT IS SUBMITTED.

5           (b) In the case of property valued by the department of revenue,  
6 the values shall be those determined by the department in the manner  
7 provided by law, for municipal assessment purposes. The county assessor  
8 and the department of revenue, respectively, shall furnish to the board of  
9 supervisors, within twenty days after a request, a statement in writing  
10 showing the owner, the address of each owner and the appraisal or  
11 assessment value of properties contained within the boundaries of the  
12 proposed district as described in subsection A of this section.

13           3. Petition signatures representing real property on which taxes  
14 and assessments are not current at the time of petition review are  
15 invalid.

16           C. The board of supervisors may require of the person desiring to  
17 propose creation of a district pursuant to subsection A, paragraph 1 of  
18 this section a reasonable bond to be filed with the board at the start of  
19 proceedings under this section. The bond shall be in an amount sufficient  
20 to cover costs incurred by the county if the district is not finally  
21 organized. County costs covered by the bond include any expense incurred  
22 from completion of the district impact statement, mailing of the notice of  
23 hearing to district property owners, publication of the notice of hearing  
24 and other expenses reasonably incurred as a result of any requirements of  
25 this section.

26           D. If a district is created pursuant to this section, the cost of  
27 publication of the notice of hearing, THE COST OF the mailing of notices  
28 to property owners, THE COST OF THE BOND and all other costs incurred by  
29 the county as a result of this section shall be a charge against the  
30 district.

31           E. If a proposed district would include property located within an  
32 incorporated city or town, in addition to the other requirements of  
33 subsection A of this section, the board shall approve the creation and  
34 authorize the circulation of petitions only if the governing body of the  
35 city or town has by ordinance or resolution endorsed the creation.

36           F. Except as provided in section 48-851 and section 48-2001,  
37 subsection A, the area of a district created pursuant to this section  
38 shall be contiguous.

39           G. A district organized pursuant to this section shall have an  
40 organizing board of directors to administer the affairs of the district  
41 until a duly constituted board of directors is elected as provided in this  
42 title. The organizing board shall have all the powers, duties and  
43 responsibilities of an elected board. The organizing board shall consist  
44 of the three OR FIVE individuals named in the district impact statement  
45 and the petitions presented pursuant to subsection A of this section. If

1 a vacancy occurs on the organizing board, the remaining board members  
2 shall fill the vacancy by appointing an interim member. Members of the  
3 organizing board shall serve without compensation but may be reimbursed  
4 for actual expenses incurred in performing their duties. The organizing  
5 board shall elect from its members a chairman and a clerk.

6 H. For the purposes of this section assessed valuation does not  
7 include property exempt pursuant to title 42, chapter 11, article 3.

8 Sec. 2. Section 48-262, Arizona Revised Statutes, is amended to  
9 read:

10 48-262. District boundary changes: procedures: notice:  
11 hearing; determinations; petitions

12 A. Except as prescribed by subsection I of this section, a fire  
13 district, community park maintenance district or sanitary district shall  
14 change its boundaries by the following procedures:

15 1. Any adult person desiring to propose any change to the  
16 boundaries of a district shall provide a legal description of the area  
17 proposed for inclusion in the district to the county assessor of the  
18 county in which the district is to be located. The county assessor shall  
19 provide to the person proposing any change to the boundaries of the  
20 district a detailed list of all taxable properties in the area proposed  
21 for inclusion in the district. The person proposing any change to the  
22 boundaries of the district shall prepare and submit a boundary change  
23 impact statement to the governing body of the district. ~~THE COUNTY~~  
24 ~~ASSESSOR'S PARCEL MAP AND THE ASSESSED VALUATION OF THE PROPERTIES AS~~  
25 ~~PRESCRIBED BY SECTION 42-17052 AND AS SHOWN IN THE COUNTY ASSESSOR'S~~  
26 ~~RECORDS AT THE TIME THE BOUNDARY CHANGE IMPACT STATEMENT IS SUBMITTED ARE~~  
27 ~~DEEMED SUFFICIENT FOR ANY REQUIRED MAPS AND FOR DETERMINING THE ASSESSED~~  
28 ~~VALUATIONS PRESCRIBED BY THIS SECTION.~~ The boundary change impact  
29 statement shall contain at least the following information:

30 (a) A legal description of the boundaries of the area to be  
31 included within the proposed change and a map and general description of  
32 the area sufficiently detailed to permit a property owner to determine  
33 whether a particular property is within the proposed district. The  
34 boundaries of the proposed change shall not overlap with the boundaries of  
35 any other proposed new district of the same type or any annexation by a  
36 district of the same type for which petitions ~~are being circulated~~ ~~HAVE~~  
37 ~~BEEN AUTHORIZED FOR CIRCULATION AS DETERMINED~~ on the date that the  
38 boundary change impact statement is filed with the governing body.

39 (b) The detailed list of taxable properties provided by the  
40 assessor pursuant to this paragraph.

41 (c) An estimate of the assessed valuation within the boundaries of  
42 the proposed change.

43 (d) An estimate of the change in the tax rate of the district if  
44 the proposed change is made.

1 (e) An estimate of the change in the property tax liability, as a  
2 result of the proposed change, of a typical resident of a portion of the  
3 district, not in the area of the proposed change, before and after the  
4 proposed change and of a typical resident of the area of the proposed  
5 change.

6 (f) A list and explanation of benefits that will result from the  
7 proposed change to the residents of the area and of the remainder of the  
8 district.

9 (g) A list and explanation of the injuries that may result from the  
10 proposed change to residents of the area and of the remainder of the  
11 district.

12 2. On receipt of the boundary change impact statement, the  
13 governing body shall set a day, at least twenty but not more than thirty  
14 days ~~from~~ AFTER that date, for a hearing on the boundary change impact  
15 statement. The board of supervisors may at any time ~~prior to~~ BEFORE  
16 making a determination pursuant to paragraph 5 of this subsection require  
17 that the impact statement be amended to include any information that the  
18 board of supervisors deems to be relevant and necessary.

19 3. On receipt of the boundary change impact statement, the clerk of  
20 the governing body shall mail, by first class mail, written notice of the  
21 statement, its purpose and notice of the day, hour and place of the  
22 hearing on the proposed change to each owner of taxable property within  
23 the boundaries of the proposed change. THE NOTICE SHALL STATE THE PURPOSE  
24 OF THE HEARING AND SHALL DESCRIBE WHERE A COPY OF THE BOUNDARY CHANGE  
25 IMPACT STATEMENT MAY BE OBTAINED AND REVIEWED. The clerk of the governing  
26 body shall post the notice in at least three conspicuous public places in  
27 the area of the proposed change and also publish twice in a daily  
28 newspaper of general circulation in the area of the proposed change, at  
29 least ten days before the hearing, or if no daily newspaper of general  
30 circulation exists in the area of the proposed change, at least twice at  
31 any time before the date of the hearing, a notice setting forth the  
32 purpose of the impact statement, the description of the boundaries of the  
33 proposed change and the day, hour and place of the hearing.

34 4. On receipt of the boundary change impact statement the clerk  
35 shall also mail notice, as provided in paragraph 3 of this subsection, to  
36 the chairman of the board of supervisors of the county OR COUNTIES in  
37 which the PROPOSED NEW PROPERTY IN THE district is located. The chairman  
38 of the board of supervisors OF THE COUNTY THAT CONTAINS THE MAJORITY OF  
39 THE ASSESSED VALUATION OF THE PRESENT AND PROPOSED DISTRICT PROPERTY shall  
40 order a review of the proposed change and may submit written comments to  
41 the governing body of the district within ten days ~~of~~ AFTER receipt of the  
42 notice.

43 5. At the hearing called pursuant to paragraph 2 of this  
44 subsection, the governing body shall consider the comments of the board of  
45 supervisors, hear those who appear for and against the proposed change and

1 determine whether the proposed change will promote the public health,  
2 comfort, convenience, necessity or welfare. If the governing body  
3 determines that the public health, comfort, convenience, necessity or  
4 welfare will be promoted, it shall approve the impact statement and  
5 authorize the ~~persons proposing the change to circulate~~ CIRCULATION OF  
6 petitions as provided in this subsection. The order of the governing body  
7 shall be final, but if the request to circulate petitions is denied, a  
8 subsequent request for a similar change may be refiled with the governing  
9 body after six months from the date of the denial. The county board of  
10 supervisors shall authorize the circulation of petitions for only one  
11 boundary change of a district of the same type in which any property  
12 owner's land is proposed for inclusion. A new petition circulation shall  
13 not be authorized until the one-year period to submit signatures set by  
14 subsection B, paragraph 3 of this section of the original petition  
15 circulation has expired or has otherwise been extinguished.

16 6. Except as provided by section 48-851, the governing body shall  
17 not approve a proposed annexation if the property to be annexed is not  
18 contiguous with the district's existing boundary. For the purposes of  
19 determining whether or not the proposed addition is contiguous, the  
20 addition is deemed contiguous if land that is owned by or under the  
21 jurisdiction of the United States government, this state or any political  
22 subdivision of this state, other than an incorporated city or town,  
23 intervenes between the proposed addition and the current district  
24 boundary.

25 7. The governing body shall not approve a proposed annexation if  
26 the area proposed to be annexed surrounds any unincorporated territory and  
27 that unincorporated territory is not also included in the district.

28 8. After receiving the approval of the governing body as provided  
29 in paragraph 5 of this subsection and if no appeal filed pursuant to  
30 paragraph 14 of this subsection remains unresolved, any adult person may  
31 circulate and present petitions to the governing body of the district.

32 9. Within fifteen days after receiving the approval of the  
33 governing body as prescribed by paragraph 5 of this subsection, the clerk  
34 of the board shall determine the minimum number of signatures and the  
35 assessed valuation required to comply with paragraph 10, subdivision (b)  
36 of this subsection. After making that determination, the number of  
37 signatures shall remain fixed and the assessed valuation of the taxable  
38 properties within the boundaries of the proposed change shall remain fixed  
39 AS PRESCRIBED IN THIS SUBSECTION for THE purposes of determining  
40 compliance, notwithstanding any subsequent changes in ownership of the  
41 property within the boundaries of the proposed change.

42 10. The petitions presented pursuant to paragraph 8 of this  
43 subsection shall comply with the provisions regarding petition form in  
44 section 48-266 and shall:

(a) At all times, contain a map and general description of the boundaries of the area to be included within the proposed change sufficiently detailed to permit a property owner to determine whether a particular property is included within the proposed change. An alteration of the described area shall not be made after receiving the approval of the governing body as provided in paragraph 5 of this subsection. The items required to be contained with the petition under this subdivision shall be printed on the back of the petition form required pursuant to section 48-266 unless the size of the items precludes compliance with this requirement. An error in the legal description of the proposed change shall not invalidate the petitions if considered as a whole the information provided is sufficient to identify the property as illustrated in the map required pursuant to this subdivision.

(b) Be signed by owners of more than one-half of the taxable property units within the boundaries of the proposed change and be signed by persons owning collectively more than one-half of the assessed valuation of the property within the boundaries of the proposed change. THE ASSESSED VALUATIONS OF THE PROPERTIES AS PRESCRIBED BY SECTION 42-17052 AND AS SHOWN IN THE COUNTY ASSESSOR'S RECORDS AT THE TIME THE BOUNDARY CHANGE IMPACT STATEMENT IS SUBMITTED ARE DEEMED SUFFICIENT FOR DETERMINING THE ASSESSED VALUATIONS PRESCRIBED BY THIS SECTION. Property exempt pursuant to title 42, chapter 11, article 3 shall not be considered in determining the total assessed valuation of the proposed change nor shall owners of property not subject to taxation be eligible to sign petitions.

11. On receipt of the petitions, including any supplemental signatures and the report of the county assessor, the governing body shall set a day, at least ten but not more than thirty days ~~from~~ AFTER that date, for a hearing on the request.

12. ~~Prior to~~ BEFORE the hearing called pursuant to paragraph 11 of this subsection, the board of supervisors shall determine the validity of the petitions presented pursuant to subsection B of this section.

13. At the hearing called pursuant to paragraph 11 of this subsection, the governing body, if the petitions are valid, shall order the change to the boundaries. The governing body shall enter its order setting forth its determination in the minutes of the meeting, at least ten days ~~from~~ AFTER the day of the hearing, and a copy of the order shall be sent to the officer in charge of elections and a copy shall be recorded in the county recorder's office. The order of the governing body shall be final, and the proposed change shall be made to the district boundaries thirty days after the governing body votes.

14. On filing a verified complaint with the superior court, the attorney general, the county attorney or any other interested party may question the validity of the annexation for failure to comply with this section. The complaint shall include a description of the alleged

1 noncompliance and shall be filed within thirty days after the governing  
2 body of the district adopts a resolution that annexes the territory of the  
3 district. The burden of proof is on the plaintiff to prove the material  
4 allegations of the verified complaint. An action shall not be brought to  
5 question the validity of an annexation resolution unless it is filed  
6 within the time and for the reasons prescribed in this subsection. All  
7 hearings that are held pursuant to this paragraph and all appeals of any  
8 orders shall be preferred and shall be heard and determined in preference  
9 to all other civil matters, except election actions. If more than one  
10 complaint questioning the validity of an annexation resolution is filed,  
11 all complaints shall be consolidated for the hearing.

12 B. For the purpose of determining the validity of the petitions  
13 presented pursuant to subsection A, paragraph 8 of this section:

14 1. Property held in multiple ownership shall be treated as if it  
15 had only one property owner, and the signature of only one of the owners  
16 of property held in multiple ownership is required on the boundary change  
17 petition. The number of persons owning property inside the boundaries of  
18 the proposed boundary change shall be determined as follows:

19 (a) In the case of property assessed by the county assessor, the  
20 number of persons owning property shall be as shown on the most recent  
21 assessment of property.

22 (b) In the case of property valued by the department of revenue,  
23 the number of persons owning property shall be as shown on the most recent  
24 valuation of property.

25 (c) If an undivided parcel of property is owned by multiple owners,  
26 those owners are deemed to be one owner for the purposes of this section.

27 (d) If a person owns multiple parcels of property, that owner is  
28 deemed to be a single owner for the purposes of this section.

29 2. The value of property shall be determined as follows:

30 (a) In the case of property assessed by the county assessor, values  
31 shall be the same as those shown on the last assessment roll of the county  
32 containing the property.

33 (b) In the case of property valued by the department of revenue,  
34 the values shall be those determined by the department in the manner  
35 provided by law, for municipal assessment purposes. The county assessor  
36 and the department of revenue, respectively, shall furnish to the  
37 governing body, within twenty days after the request, a statement in  
38 writing showing the owner, the address of each owner and the appraisal or  
39 assessment value of properties contained within the area of a proposed  
40 change as described in subsection A of this section.

41 3. All petitions circulated shall be returned to the governing body  
42 of the district within one year from the date of the approval given by the  
43 governing body pursuant to subsection A, paragraph 5 of this section. Any  
44 petition returned more than one year from that date is void. If an appeal  
45 is filed pursuant to subsection A, paragraph 14 of this section, this time

1 period for gathering signatures is tolled beginning on the date an action  
2 is filed in superior court and continuing until the expiration of the time  
3 period for any further appeal.

4 C. For the purposes of determining whether or not the proposed  
5 addition is contiguous, the addition is deemed contiguous if land that is  
6 owned by or under the jurisdiction of the United States government, this  
7 state or any political subdivision of this state, other than an  
8 incorporated city or town, intervenes between the proposed addition and  
9 the current district boundary. Property shall not be approved for  
10 annexation if the area proposed to be annexed surrounds any unincorporated  
11 territory and that unincorporated territory is not also included in the  
12 district **UNLESS THAT UNINCORPORATED TERRITORY IS IN A NONCONTIGUOUS COUNTY**  
13 **ISLAND FIRE DISTRICT.**

14 D. If the change in the boundaries proposed pursuant to subsection  
15 A of this section would result in a withdrawal of territory from an  
16 existing district, the petitions shall be approved by the governing body  
17 only if the proposed withdrawal would not result in a noncontiguous  
18 portion of the district that is less than one square mile in size.

19 E. If the impact statement described in subsection A of this  
20 section relates to the withdrawal of property from a district, in addition  
21 to the other requirements of subsection A of this section, the governing  
22 body shall also determine:

23 1. If the district has any existing outstanding bonds or other  
24 evidences of indebtedness.

25 2. If those bonds were authorized by an election and issued during  
26 the time the property to be withdrawn was lawfully included within the  
27 district.

28 F. If the conditions of subsection E of this section are met:

29 1. The property withdrawn from the district shall remain subject to  
30 taxes, special assessments or fees levied or collected to meet the  
31 contracts and covenants of the bonds. The board of supervisors shall  
32 provide for the levy and collection of taxes, special assessments or fees.

33 2. The governing body shall:

34 (a) Annually determine the amount of special property taxes,  
35 special assessments or fees that must be levied and collected from  
36 property withdrawn from the district and the mechanism by which that  
37 amount is to be collected.

38 (b) Notify the board of supervisors on or before the third Monday  
39 in July of the amount determined in subdivision (a) of this paragraph.

40 3. Property withdrawn from an existing district shall not be  
41 subject to any further taxes, special assessments or fees arising from the  
42 indebtedness of the district except as provided in this subsection.

43 G. If the statement described in subsection A, paragraph 1 of this  
44 section requests the annexation of property located within an incorporated  
45 city or town, in addition to the other requirements of subsection A of

1 this section, the governing body shall approve the district boundary  
2 change impact statement and authorize the circulation of petitions only if  
3 the governing body of the city or town has by ordinance or resolution  
4 endorsed the annexation and the annexation is authorized pursuant to this  
5 title.

6 H. Except as provided in subsection D of this section and section  
7 48-2002, a change in the boundaries of a district pursuant to this section  
8 shall not result in a district that contains area that is not contiguous.

9 I. Notwithstanding subsection A of this section, any property  
10 owner, including a county, this state or the United States government,  
11 whose land is within a county that contains a sanitary district or fire  
12 district and whose land is contiguous to the boundaries of the sanitary  
13 district or fire district may request in writing that the governing body  
14 of the district amend the district boundaries to include that property  
15 owner's land. If the property is located in an incorporated city or town,  
16 in addition to the other requirements prescribed in this subsection, the  
17 governing body of the fire district or sanitary district may approve the  
18 boundary change only if the governing body of the affected city or town by  
19 ordinance or resolution has approved the inclusion of the property in the  
20 district. If the governing body determines that the inclusion of that  
21 property will benefit the district and the property owner, the boundary  
22 change may be made by order of the governing body and is final on the  
23 recording of the governing body's order that includes a legal description  
24 of the property that is added to the district. A petition and impact  
25 statement are not required for an amendment to a sanitary district's or  
26 fire district's boundaries made pursuant to this subsection.

27 J. Until August 1, 2014, in a county with a population greater than  
28 two million persons, notwithstanding subsection I of this section, any  
29 property owner, including the United States, this state or a county, whose  
30 land is within two thousand six hundred forty feet of an adjacent sanitary  
31 district or fire district, not contiguous to the boundaries of the  
32 sanitary district or fire district and within an unincorporated area or  
33 county island may request in writing that the governing body of the  
34 district amend the district boundaries to include that property owner's  
35 land.

36 K. A fire district shall not annex or otherwise add territory that  
37 is already included in another existing fire district, unless deannexed  
38 pursuant to subsections D, E and F of this section.

39 L. A fire district, community park maintenance district or sanitary  
40 district may appropriate and spend monies as necessary or reasonably  
41 required to assist one or more individuals or entities to change the  
42 district's boundaries pursuant to this section.

43 M. Notwithstanding subsection A of this section, if an incorporated  
44 city or town has previously adopted a resolution designating a fire  
45 district as the fire service agency for the city or town, the

jurisdictional boundaries of the fire district without further notice or election shall be changed to include any property annexed into the city or town. If the annexation occurs pursuant to a joint petition for annexation, any joint petition for annexation shall clearly indicate in its title and in the notice required in the petition that the property to be annexed will be subject to the jurisdiction of both the city or town and the fire district. A joint petition for annexation shall comply with both section 9-471 and this section. Any fire district boundary change that occurs through city or town annexation pursuant to this subsection is effective on the effective date of the annexation by the incorporated city or town. If an incorporated city or town that has designated a fire district as the fire service agency for that city or town annexes property that is already part of another fire district, the annexed property shall remain part of the fire district in which it was located before the city or town's annexation.

N. Notwithstanding subsection I of this section, from August 2, 2012 until July 1, 2015, in counties with a population of more than two million five hundred thousand persons, any property owner, including the United States, this state or a county, whose land is within two thousand six hundred forty feet of an adjacent sanitary district or fire district and is not contiguous to the boundaries of the sanitary district or fire district may request in writing that the governing body of the district amend the district boundaries to include that property owner's land. If the property is located in an incorporated city or town, in addition to the other requirements prescribed in this subsection, the governing body of the sanitary district or fire district may approve the boundary change only if the governing body of the affected city or town, by ordinance or resolution, has approved the inclusion of the property in the district. If the governing body determines that the inclusion of that property will benefit the district and the property owner, the boundary change may be made by order of the governing body and is final on the recording of the governing body's order that includes a general description of the property, including the assessor's parcel number, that is added to the district. A petition and impact statement are not required for an amendment to a sanitary district's or fire district's boundaries made pursuant to this subsection.

O. For the purposes of this section, assessed valuation does not include property exempt pursuant to title 42, chapter 11, article 3.

Sec. 3. Section 48-820, Arizona Revised Statutes, is amended to read:

48-820. Election to merge fire districts; notice; hearing; approval; joint meeting; merged district board

A. Except as provided in subsection ~~K~~ L of this section, the board of supervisors shall make an order calling for an election to decide whether to merge fire districts when a resolution for merger from each

1 district is submitted to the board. The board of supervisors shall not  
 2 make an order calling for an election to merge THE SAME fire districts  
 3 more frequently than once every two years. Whether or not the districts  
 4 are merged, the fire districts ~~shall~~ ARE EACH LIABLE TO reimburse the  
 5 counties for the expenses of the election, including the cost of mailing  
 6 any notices required pursuant to this section. If the proposed district  
 7 is located in more than one county, the resolutions shall be submitted to  
 8 the board of supervisors of the county in which the majority of the  
 9 assessed valuation of the proposed district is located AS OF THE DATE OF  
 10 THE ADOPTION OF THE EARLIEST RESOLUTION THAT CALLED FOR THE MERGER. The  
 11 words appearing on the ballot shall be "(insert fire districts' names)  
 12 merge as a fire district--yes" and "(insert fire districts' names) merge  
 13 as fire district--no."

14 B. Except for a district organized pursuant to article 3 of this  
 15 chapter, at least six days but not more than twenty days after the  
 16 election, the board of supervisors shall meet and canvass the returns, and  
 17 if it is determined that a majority of the votes cast at the election in  
 18 each of the affected districts is in favor of merging the fire districts,  
 19 the board shall enter that fact on its minutes.

20 C. For a district organized pursuant to article 3 of this chapter,  
 21 within fourteen days after the election, the board of supervisors shall  
 22 meet and canvass the returns, and if it is determined that a majority of  
 23 the votes cast at the election in each of the affected districts is in  
 24 favor of merging the fire districts, the board shall enter the fact on its  
 25 minutes.

26 D. Except as prescribed in subsection E of this section, two or  
 27 more fire districts may merge if the governing body of each affected fire  
 28 district, by a majority vote of the members of each governing body, adopts  
 29 a resolution declaring that a merger be considered and a public hearing be  
 30 held to determine if a merger would be in the best interests of the  
 31 district and would promote public health, comfort, convenience, necessity  
 32 or welfare. After each district adopts such a resolution, the governing  
 33 body OF EACH DISTRICT by first class mail shall send ~~written notice of the~~  
 34 ~~resolution, its purpose and~~ notice of the day, hour and place of a hearing  
 35 on the proposed merger to each owner of taxable property within the  
 36 boundaries of the district. The notice shall ~~contain~~ STATE THE PURPOSE OF  
 37 THE HEARING AND SHALL DESCRIBE WHERE INFORMATION ON THE PROPOSED MERGER  
 38 MAY BE OBTAINED AND REVIEWED. THE INFORMATION PROVIDED BY THE AFFECTED  
 39 DISTRICTS SHALL INCLUDE the name and a general description of the  
 40 boundaries of each district proposed to be merged and a detailed, accurate  
 41 map of the area to be included in the merger. The notice also shall  
 42 contain an estimate of the assessed value of the merged district AS OF THE  
 43 DATE OF THE ADOPTION OF THE EARLIEST RESOLUTION THAT CALLED FOR THE MERGER  
 44 AS PRESCRIBED IN SUBSECTION A OF THIS SECTION, the estimated change in  
 45 property tax liability for a typical resident of the proposed merged

1 district and a list of the benefits and injuries that may result from the  
2 proposed merged district. No new territory may be included as a result of  
3 the merger.

4 E. A noncontiguous county island fire district formed pursuant to  
5 section 48-851 shall not merge with a fire district formed pursuant to  
6 section 48-261.

7 F. The clerk of the governing body OF EACH AFFECTED DISTRICT shall  
8 post notice in at least three conspicuous public places in the district  
9 and shall also publish notice twice in a newspaper of general circulation  
10 in the county in which the district is located, at least ten days before  
11 the public hearing. The clerk of each governing body affected by the  
12 proposed merger shall also mail notice and a copy of the resolution in  
13 support of considering the merger to the chairman of the board of  
14 supervisors of the county or counties in which the affected districts are  
15 located. The chairman of the board of supervisors shall order a review of  
16 the proposed merger and shall submit written comments to the governing  
17 body of each fire district located in that county within ten days after  
18 receipt of the notice.

19 G. At the hearing PRESCRIBED IN SUBSECTION D OF THIS SECTION, each  
20 governing body of the district shall consider the comments of the board of  
21 supervisors, hear those persons who appear for or against the proposed  
22 merger and determine whether the proposed merger will promote public  
23 health, comfort, convenience, necessity or welfare. If, after the public  
24 hearing each of the governing bodies of the districts affected by the  
25 proposed merger adopt a resolution by a majority vote DECLARING that the  
26 merger will promote public health, comfort, convenience, necessity or  
27 welfare, each of the governing bodies of the districts affected by the  
28 proposed merger shall submit to the board of supervisors the resolutions  
29 that call for an election.

30 H. Before considering any resolution of merger pursuant to this  
31 section, ~~a~~ THE governing body OF EACH AFFECTED DISTRICT shall obtain  
32 written consent to the merger from any single taxpayer residing within  
33 each of the affected districts who owns thirty percent or more of the net  
34 assessed valuation of the total net assessed valuation of the district AS  
35 OF THE DATE THE DISTRICT'S RESOLUTION IS SUBMITTED TO THE BOARD OF  
36 SUPERVISORS. If written consent ~~contemplated~~ FROM THE TAXPAYERS  
37 PRESCRIBED by this subsection is not obtained, subsections A and B of this  
38 section apply, and the merger may only be accomplished by AN election HELD  
39 BY THE AFFECTED DISTRICT THAT WAS UNABLE TO OBTAIN THE WRITTEN CONSENT.  
40 THE OTHER AFFECTED DISTRICTS MAY PURSUE MERGER BY UNANIMOUS CONSENT AND,  
41 IF ONE OR MORE OF THOSE DISTRICTS FAILS TO OBTAIN UNANIMOUS CONSENT, ANY  
42 REMAINING AFFECTED DISTRICTS THAT HAVE OBTAINED UNANIMOUS CONSENT OR  
43 RECEIVED VOTER APPROVAL MAY PROCEED WITH THE MERGER UNLESS THE GOVERNING  
44 BODY OF ONE OF THOSE DISTRICTS WITHDRAWS FROM THE MERGER. IF ONE OF THE  
45 DISTRICTS WITHDRAWS, THE REMAINING AFFECTED DISTRICTS SHALL REVISE THE

1 INFORMATION PRESCRIBED BY SUBSECTION D OF THIS SECTION AND POST THE  
 2 REVISED INFORMATION AS PRESCRIBED IN SUBSECTION F OF THIS SECTION. If one  
 3 of the affected districts does not have a single taxpayer residing in the  
 4 district who owns thirty percent or more of the net assessed valuation of  
 5 the total net assessed valuation of the district, this subsection does not  
 6 apply to that district and written consent is not required for that  
 7 district.

8 I. If the merger is approved as provided by subsection B or ~~K~~ L of  
 9 this section, within thirty days after the approval, the governing body of  
 10 the affected district with the largest population shall call a joint  
 11 meeting of the governing bodies of all of the affected districts. At the  
 12 joint meeting, a majority of the members of the governing body of each  
 13 affected district constitutes a quorum for the purpose of transacting  
 14 business. The members of the governing body OF EACH AFFECTED DISTRICT  
 15 shall BY MAJORITY VOTE OF EACH SEPARATE GOVERNING BODY appoint a total of  
 16 five persons from those currently serving on the governing bodies OF THE  
 17 DISTRICTS who shall complete their regular terms of office, except that ~~no~~  
 18 NOT more than three of the persons appointed may serve terms that end in  
 19 the same year. ~~no~~ NOT more than three members shall be appointed from the  
 20 same fire district board. Subsequent terms of office for district board  
 21 members shall be filled by election of board members who shall be  
 22 qualified electors of the merged district.

23 J. The appointed governing body shall immediately meet and organize  
 24 itself and elect from its members a chairman and a clerk. The appointed  
 25 governing body shall immediately have the powers and duties prescribed by  
 26 law for governance and operation of the newly merged district. The  
 27 appointed board by resolution shall declare the districts merged and each  
 28 affected district joined and the name of the newly merged fire district.  
 29 The resolution and the names of the new board members for the newly  
 30 organized district shall be sent to the board of supervisors, and the  
 31 districts are DEEMED LEGALLY merged effective thirty days after the  
 32 adoption of the resolution. ANY CHALLENGE TO THE MERGER MUST BE FILED  
 33 WITHIN THE THIRTY-DAY PERIOD AFTER ADOPTION OF THE RESOLUTION, AND ON  
 34 FILING, THE MERGER IS STAYED UNTIL THE EXPIRATION OF ANY TIME FOR APPEAL  
 35 AFTER THE ISSUANCE OF A FINAL ORDER DENYING THE CHALLENGE. If the newly  
 36 merged district is authorized to operate an ambulance service pursuant to  
 37 title 36, chapter 21.1, article 2, the name of the ambulance service shall  
 38 be changed administratively by the director of the department of health  
 39 services to the name of the newly merged district and a hearing on the  
 40 matter is not required pursuant to section 36-2234.

41 K. The merger of two or more fire districts pursuant to this  
 42 section or the consolidation with one or more fire districts pursuant to  
 43 section 48-822 shall not expand the boundaries of an existing certificate  
 44 of necessity unless authorized pursuant to title 36, chapter 21.1,  
 45 article 2.

1 L. If the requirements of subsection H of this section are met and  
2 the governing body votes required by subsection G of this section are  
3 unanimous, the following apply:

4 1. The governing bodies of each district may choose to merge by  
5 unanimous resolution without an election and subsections A and B of this  
6 section do not apply.

7 2. The governing bodies of each district may choose to hold an  
8 election on the question of merger and subsections A and B of this section  
9 apply.

10 M. If the merger is approved pursuant to subsection B or K of this  
11 section, the governing body of the newly merged district may adopt a  
12 nationally recognized fire code with the approval of the state fire  
13 marshal and after a hearing held pursuant to posted and published notice  
14 as prescribed by section 48-805.02, subsection A. The district shall keep  
15 a copy of the adopted fire code on file for public inspection.

16 Sec. 4. Section 48-822, Arizona Revised Statutes, is amended to  
17 read:

18 48-822. Election to consolidate fire districts; resolution;  
19 hearing

20 A. Except as provided in subsection ~~E~~ F of this section, the board  
21 of supervisors shall make an order calling for an election to decide  
22 whether to consolidate TWO OR MORE fire districts when a resolution for  
23 consolidation of fire districts from each district is submitted to the  
24 board of supervisors. The board of supervisors shall not make an order  
25 calling for an election to consolidate THE SAME fire districts more  
26 frequently than once every two years. Whether or not the districts are  
27 consolidated, the PARTICIPATING fire districts ~~shall~~ ARE EACH LIABLE TO  
28 reimburse the counties for the expenses of the election, including the  
29 cost of mailing any notices. If the proposed district is located in more  
30 than one county, the resolutions shall be submitted to the board of  
31 supervisors of the county in which the majority of the assessed valuation  
32 of the proposed district is located AS OF THE DATE OF THE ADOPTION OF THE  
33 EARLIEST RESOLUTION THAT CALLED FOR THE CONSOLIDATION. The words  
34 appearing on the ballot shall be "(insert fire districts' names)  
35 consolidate as a fire district--yes" and "(insert fire districts' names)  
36 consolidate as fire district--no."

37 B. Within fourteen days after the election, the board of  
38 supervisors shall meet and canvass the returns, and if it is determined  
39 that a majority of the votes cast at the election in each of the affected  
40 districts is in favor of consolidating the fire districts, the board shall  
41 enter that fact on its minutes.

42 C. Except as proscribed by subsection D of this section, a fire  
43 district may consolidate with one or more other fire districts formed  
44 pursuant to section 48-261 as follows:

1           1. A resolution requesting the consolidation of a fire district is  
2 passed by a majority vote of the governing body requesting consolidation  
3 into another fire district. The requesting district shall send by first  
4 class mail the notice of request to consolidate districts to the fire  
5 district in which the consolidation is requested.

6           2. On receipt of the resolution requesting consolidation, and on  
7 approval by majority vote of the governing body receiving the request, two  
8 or more fire districts may consolidate if the governing body of each  
9 affected fire district by a majority vote of the members of each governing  
10 body adopts a resolution declaring that a consolidation be considered and  
11 a public hearing be held to determine if a consolidation would be in the  
12 best interest of the districts and would promote the public health,  
13 comfort, convenience, necessity or welfare. ~~After each district adopts~~  
14 ~~such a resolution,~~ The governing body ~~OF EACH DISTRICT THAT ADOPTS A~~  
15 ~~RESOLUTION CALLING FOR A PUBLIC HEARING~~ by first class mail shall send  
16 ~~written notice of the resolution, its purpose and~~ notice of the day, hour  
17 and place of a hearing on the proposed consolidation to each owner of  
18 taxable property within the boundaries of the district. The notice shall  
19 ~~contain~~ ~~STATE THE PURPOSE OF THE HEARING AND SHALL DESCRIBE WHERE~~  
20 ~~INFORMATION ON THE PROPOSED CONSOLIDATION MAY BE OBTAINED AND REVIEWED.~~  
21 ~~THE INFORMATION PROVIDED BY THE AFFECTED DISTRICTS SHALL INCLUDE~~ the name  
22 and a general description of the boundaries of each district that is  
23 proposed to be consolidated and a detailed, accurate map of the area to be  
24 included in the consolidation. The notice also shall contain an estimate  
25 of the assessed value of the consolidated district, the estimated change  
26 in the property tax liability for a typical resident of the proposed  
27 consolidated district and a list of the benefits and injuries that may  
28 result from the proposed consolidated district. No new territory may be  
29 included as a result of the consolidation.

30           3. The clerk of the governing body of ~~EACH OF~~ the fire districts  
31 affected by the proposed consolidation shall post notice in at least three  
32 conspicuous public places in the district and also shall publish ~~OR~~  
33 ~~REQUEST TO BE PUBLISHED~~ notice twice in a newspaper of general circulation  
34 in the county in which the district is located at least ten days before  
35 the public hearing. ~~PUBLICATION BY ONE AFFECTED DISTRICT IS SUFFICIENT~~  
36 ~~FOR ALL AFFECTED DISTRICTS IF PUBLICATION BY MORE THAN ONE DISTRICT WOULD~~  
37 ~~BE DUPLICATIVE.~~ The clerk of each governing body affected by the proposed  
38 consolidation shall also mail notice and a copy of the resolution in  
39 support of considering consolidation to the chairman of the board of  
40 supervisors of the county or counties in which the affected districts are  
41 located. The chairman of the board of supervisors shall order a review of  
42 the proposed consolidation and shall submit written comments to the  
43 governing body of each fire district located in the county within ten days  
44 after receipt of the notice.

1           4. At the hearing HELD AS PRESCRIBED BY PARAGRAPH 2 OF THIS  
2 SUBSECTION, the governing body of the district shall consider the comments  
3 of the board of supervisors, hear those persons who appear for or against  
4 the proposed consolidation and determine whether the proposed  
5 consolidation will promote the public health, comfort, convenience,  
6 necessity or welfare. If, after the public hearing, each of the governing  
7 bodies of the districts affected by the proposed consolidation adopt a  
8 resolution by a majority vote that the consolidation will promote the  
9 public health, comfort, convenience, necessity or welfare, each of the  
10 governing bodies of the districts affected by the proposed consolidation  
11 shall submit the resolutions calling for an election to the board of  
12 supervisors.

13           5. If the proposal for consolidation is approved as provided in  
14 subsections A and B of this section, the governing body of the district  
15 into which consolidation was requested shall by resolution declare the  
16 district consolidated and each affected district joined. Those persons  
17 currently serving as the governing body of the district into which  
18 consolidation was requested shall serve as the governing body of the newly  
19 consolidated district and complete their regular terms of office. The  
20 newly consolidated district governing body shall consist of at least five  
21 members who shall immediately have the powers and duties prescribed by law  
22 for governance and operation of the newly consolidated district.

23           6. If the consolidation results in a new district population that  
24 is greater than fifty thousand persons, the new governing board may  
25 appoint an additional two members to serve until the next general election  
26 at which time the newly elected member with the highest number of votes  
27 serves a four year term and the other member serves a two year term.  
28 Thereafter, the term of office for these two new members is four years.

29           7. The governing body OF THE NEWLY CONSOLIDATED DISTRICT by  
30 resolution shall declare the name of the newly consolidated fire district.  
31 If the newly consolidated fire district is authorized to operate an  
32 ambulance service pursuant to title 36, chapter 21.1, article 2, the name  
33 of the ambulance service shall be changed administratively by the director  
34 of the department of health services to the name of the newly consolidated  
35 district and a hearing on the matter is not required pursuant to section  
36 36-2234.

37           8. If a proposed NEWLY consolidated district would include property  
38 located in an incorporated city or town, in addition to the other  
39 requirements of this section, the governing body of the district shall  
40 approve the creation of the consolidated district only if the governing  
41 body of the city or town endorses the creation by ordinance or resolution.

42           9. Before considering any resolution of consolidation pursuant to  
43 this section, ~~the~~ THE governing body OF EACH AFFECTED DISTRICT shall obtain  
44 written consent to the consolidation from any single taxpayer residing  
45 within each of the affected districts who owns thirty percent or more of

1 the net assessed valuation of the total net assessed valuation of the  
2 district AS OF THE DATE OF THE ADOPTION OF THE EARLIEST RESOLUTION THAT  
3 CALLED FOR THE CONSOLIDATION AS PRESCRIBED IN SUBSECTION A OF THIS  
4 SECTION. If one of the affected districts does not have a single taxpayer  
5 residing in the district who owns thirty percent or more of the net  
6 assessed valuation of the total net assessed valuation of the district,  
7 this ~~subsection~~ PARAGRAPH does not apply to that district and written  
8 consent is not required for that district.

9 D. A noncontiguous county island fire district formed pursuant to  
10 section 48-851 shall not consolidate with a fire district formed pursuant  
11 to section 48-261.

12 E. The merger of two or more fire districts pursuant to section  
13 48-820 or the consolidation with one or more fire districts pursuant to  
14 this section shall not expand the boundaries of an existing certificate of  
15 necessity unless authorized pursuant to title 36, chapter 21.1, article 2.

16 F. If the requirements of subsection C, paragraph 9 of this section  
17 are met and the governing body votes required by subsection C, paragraph 4  
18 of this section are unanimous, the following apply:

19 1. The governing bodies of each OR EITHER AFFECTED district may  
20 choose to consolidate by unanimous resolution without an election and  
21 subsections A and B of this section do not apply.

22 2. The governing bodies of each OR EITHER AFFECTED district may  
23 choose to hold an election on the question of consolidation and  
24 subsections A and B of this section apply.

25 3. IF FEWER THAN ALL OF THE AFFECTED DISTRICTS CHOOSE TO HOLD AN  
26 ELECTION, THE PROPOSED CONSOLIDATION IS NOT EFFECTIVE UNTIL APPROVED AT  
27 THE ELECTION.

28 4. CONSOLIDATION MAY NOT OCCUR UNLESS EACH AFFECTED DISTRICT  
29 APPROVES THE CONSOLIDATION, EITHER BY RESOLUTION OR BY ELECTION.

30 G. If the consolidation is approved pursuant to subsection ~~A~~ B or  
31 F of this section, the adopted fire code of the district into which the  
32 consolidation was requested shall apply to the entirety of the newly  
33 consolidated district.