

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.

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.

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.

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:

14 (b) Be signed by owners of more than one-half of the taxable
15 property units within the boundaries of the proposed change and be signed
16 by persons owning collectively more than one-half of the assessed
17 valuation of the property within the boundaries of the proposed change.

18 THE ASSESSED VALUATIONS OF THE PROPERTIES AS PRESCRIBED BY SECTION
19 42-17052 AND AS SHOWN IN THE COUNTY ASSESSOR'S RECORDS AT THE TIME THE
20 BOUNDARY CHANGE IMPACT STATEMENT IS SUBMITTED ARE DEEMED SUFFICIENT FOR
21 DETERMINING THE ASSESSED VALUATIONS PRESCRIBED BY THIS SECTION. Property

22 exempt pursuant to title 42, chapter 11, article 3 shall not be considered
23 in determining the total assessed valuation of the proposed change nor
24 shall owners of property not subject to taxation be eligible to sign
25 petitions.

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

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

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

42 14. On filing a verified complaint with the superior court, the
43 attorney general, the county attorney or any other interested party may
44 question the validity of the annexation for failure to comply with this
45 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
ISLAND FIRE DISTRICT.**

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

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

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

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

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

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

32 2. The governing body shall:

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

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

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

42 G. If the statement described in subsection A, paragraph 1 of this
43 section requests the annexation of property located within an incorporated
44 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

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

16 N. Notwithstanding subsection I of this section, from August 2,
17 2012 until July 1, 2015, in counties with a population of more than two
18 million five hundred thousand persons, any property owner, including the
19 United States, this state or a county, whose land is within two thousand
20 six hundred forty feet of an adjacent sanitary district or fire district
21 and is not contiguous to the boundaries of the sanitary district or fire
22 district may request in writing that the governing body of the district
23 amend the district boundaries to include that property owner's land. If
24 the property is located in an incorporated city or town, in addition to
25 the other requirements prescribed in this subsection, the governing body
26 of the sanitary district or fire district may approve the boundary change
27 only if the governing body of the affected city or town, by ordinance or
28 resolution, has approved the inclusion of the property in the
29 district. If the governing body determines that the inclusion of that
30 property will benefit the district and the property owner, the boundary
31 change may be made by order of the governing body and is final on the
32 recording of the governing body's order that includes a general
33 description of the property, including the assessor's parcel number, that
34 is added to the district. A petition and impact statement are not
35 required for an amendment to a sanitary district's or fire district's
36 boundaries made pursuant to this subsection.

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

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

41 48-820. Election to merge fire districts; notice; hearing;
42 approval; joint meeting; merged district board

43 A. Except as provided in subsection ~~K~~ L of this section, the board
44 of supervisors shall make an order calling for an election to decide
45 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, ~~or~~ **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, ~~a~~ 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.