

House Engrossed

fire districts; formation; county supervisors

State of Arizona
House of Representatives
Fifty-sixth Legislature
Second Regular Session
2024

HOUSE BILL 2330

AN ACT

AMENDING SECTION 48-261, ARIZONA REVISED STATUTES; AMENDING TITLE 48, CHAPTER 5, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 48-825; RELATING TO FIRE 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. EXCEPT FOR A FIRE DISTRICT FORMED PURSUANT TO SECTION 48-825, a
7 fire district, community park maintenance district, sanitary district or
8 hospital district for either a hospital or an urgent care center shall be
9 created by the following procedures:

10 1. Any adult person desiring to propose creation of a district
11 shall provide a legal description of the area proposed for inclusion in
12 the district to the county assessor of the county in which the district is
13 to be located. The county assessor shall provide to the person proposing
14 formation of the district a detailed list of all taxable properties in the
15 area proposed for inclusion in the district. The person proposing
16 formation of the district shall prepare and submit a district impact
17 statement to the board of supervisors of the county in which the district
18 is to be located. The county assessor's parcel map and the assessed
19 valuation of the properties as prescribed by section 42-17052 and as shown
20 in the county assessor's records at the time the district impact statement
21 is submitted are deemed sufficient for any required maps and for
22 determining the assessed valuations prescribed by this section. Except
23 for a proposed community park maintenance district that is to be located
24 in more than one county, if a proposed district is located in more than
25 one county, the impact statement shall be submitted to the board of
26 supervisors of the county in which the majority of the assessed valuation
27 of the proposed district is located. The boards of supervisors of any
28 other counties in which a portion of the district is to be located shall
29 provide information and assistance to the responsible board of
30 supervisors. For a community park maintenance district that is to be
31 located in more than one county, the impact statement shall be submitted
32 to the board of supervisors for each of the affected counties. If the
33 person desiring to create a district pursuant to this section is unable to
34 complete the district impact statement, the board of supervisors may
35 assist in the completion of the impact statement if requested to do so,
36 provided the bond required in subsection C of this section is in an amount
37 sufficient to cover any additional cost to the county. The district
38 impact statement shall contain at least the following information:

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

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

1 (c) An estimate of the assessed valuation within the proposed
2 district.

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

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

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

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

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

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

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

38 4. At the hearing called pursuant to paragraph 2 of this
39 subsection, the board of supervisors shall hear those who appear for and
40 against the proposed district and shall determine whether the creation of
41 the district will promote public health, comfort, convenience, necessity
42 or welfare. If the board of supervisors determines that the public
43 health, comfort, convenience, necessity or welfare will be promoted, it
44 shall approve the district impact statement and authorize the circulation
45 of petitions as provided in this subsection. For a community park

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

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

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

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

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

1 the proposed district shall not invalidate the petitions if considered as
2 a whole the information provided is sufficient to identify the property as
3 illustrated in the map required pursuant to this subdivision.

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

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

15 9. Before the hearing called pursuant to paragraph 8 of this
16 subsection, the board of supervisors shall determine the validity of the
17 petitions presented.

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

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

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

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

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

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

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

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

6 (a) In the case of property assessed by the county assessor, values
7 shall be the same as those shown on the day the district impact statement
8 is submitted.

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

17 3. Petition signatures representing real property on which taxes
18 and assessments are not current at the time of petition review are
19 invalid.

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

30 D. If a district is created pursuant to this section, the cost of
31 publication of the notice of hearing, the cost of the mailing of notices
32 to property owners, the cost of the bond and all other costs incurred by
33 the county as a result of this section shall be a charge against the
34 district.

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

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

43 G. A district organized pursuant to this section shall have an
44 organizing board of directors to administer the affairs of the district
45 until a duly constituted board of directors is elected as provided in this

1 title. The organizing board shall have all the powers, duties and
2 responsibilities of an elected board. The organizing board shall consist
3 of the three or five individuals named in the district impact statement
4 and the petitions presented pursuant to subsection A of this section. If
5 a vacancy occurs on the organizing board, the remaining board members
6 shall fill the vacancy by appointing an interim member. Members of the
7 organizing board shall serve without compensation but may be reimbursed
8 for actual expenses incurred in performing their duties. The organizing
9 board shall elect from its members a chairman and a clerk.

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

12 Sec. 2. Title 48, chapter 5, article 1, Arizona Revised Statutes,
13 is amended by adding section 48-825, to read:

14 48-825. Alternate formation process for fire district; board
15 of supervisors; election; board of directors

16 A. UNTIL DECEMBER 31, 2026, IN A COUNTY WITH A POPULATION OF LESS
17 THAN FIVE HUNDRED THOUSAND PERSONS, A FIRE DISTRICT MAY BE FORMED AS
18 FOLLOWS:

19 1. ON WRITTEN REQUEST TO THE BOARD OF SUPERVISORS FOR FORMATION OF
20 A FIRE DISTRICT WITH FIVE THOUSAND OR FEWER PERSONS AND SUBMISSION OF A
21 MAP DELINEATING THE PROPOSED BOUNDARIES OF THE DISTRICT, THE BOARD OF
22 SUPERVISORS MAY HOLD A HEARING ON THE MATTER AT A MEETING OF THE BOARD OF
23 SUPERVISORS.

24 2. THE BOARD OF SUPERVISORS MAY CONSIDER THE MATTER, INCLUDING BY
25 TAKING TESTIMONY FROM THE PUBLIC, AND MAY REVISE THE PROPOSED BOUNDARIES
26 FOR THE DISTRICT. THE BOARD OF SUPERVISORS SHALL REVISE THE PROPOSED
27 BOUNDARIES FOR THE DISTRICT AS NECESSARY TO ENSURE THAT NO ONE PROPERTY IN
28 THE PROPOSED BOUNDARIES OF THE DISTRICT WILL BE REQUIRED TO CONTRIBUTE
29 MORE THAN 2.5 PERCENT OF THE TOTAL FUNDING OF THE PROPOSED DISTRICT.

30 3. ON A DETERMINATION BY THE BOARD OF SUPERVISORS TO PROCEED WITH
31 POSSIBLE FORMATION OF THE FIRE DISTRICT, THE BOARD OF SUPERVISORS SHALL
32 SUBMIT THE MATTER TO A VOTE OF THE QUALIFIED ELECTORS IN THE PROPOSED
33 BOUNDARIES OF THE DISTRICT. THE ELECTION SHALL BE HELD ON ONE OF THE FOUR
34 DATES PRESCRIBED BY SECTION 16-204.

35 4. THE ELECTION SHALL COMPLY WITH THE GENERAL ELECTION LAWS OF THIS
36 STATE. AT THE ELECTION ON THE FORMATION OF THE FIRE DISTRICT, THE WORDS
37 TO APPEAR ON THE BALLOTS SHALL BE "FIRE DISTRICT, YES" AND "FIRE DISTRICT,
38 NO". THE RETURNS OF THE ELECTION SHALL BE MADE TO THE BOARD OF
39 SUPERVISORS.

40 B. IF APPROVED AT THE FORMATION ELECTION BY SIXTY-FIVE PERCENT OF
41 THE VOTES CAST THEREON, THE BOARD OF SUPERVISORS SHALL DECLARE THE FIRE
42 DISTRICT FORMED AND SHALL NAME THREE PERSONS WHO ARE RESIDENTS OF THE FIRE
43 DISTRICT TO SERVE ON THE FIRE DISTRICT ORGANIZING BOARD OF DIRECTORS UNTIL
44 FIRE DISTRICT BOARD MEMBERS ARE ELECTED AS OTHERWISE PROVIDED BY LAW AT

1 THE NEXT GENERAL ELECTION IMMEDIATELY FOLLOWING FORMATION OF THE FIRE
2 DISTRICT.

3 C. AFTER DECLARING THE FIRE DISTRICT FORMED, THE BOARD OF
4 SUPERVISORS SHALL TRANSMIT TO THE COUNTY ASSESSOR A CERTIFIED COPY OF THE
5 DESCRIPTION OF THE BOUNDARIES OF THE FIRE DISTRICT.

6 D. A FIRE DISTRICT FORMED PURSUANT TO THIS SECTION HAS ALL OF THE
7 POWERS AND DUTIES OF A FIRE DISTRICT PRESCRIBED BY THIS ARTICLE.

8 E. FROM AND AFTER DECEMBER 31, 2026, A FIRE DISTRICT MAY NOT BE
9 FORMED PURSUANT TO THIS SECTION.