

Conference Engrossed

State of Arizona
House of Representatives
Forty-ninth Legislature
Second Regular Session
2010

HOUSE BILL 2432

AN ACT

AMENDING SECTIONS 48-262, 48-805, 48-812, 48-813, 48-820 AND 48-822, ARIZONA
REVISED STATUTES; 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 48-262, Arizona Revised Statutes, is amended to
3 read:

4 48-262. District boundary changes; procedures; notice; hearing;
5 determinations; petitions

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

9 1. Any adult person desiring to propose any change to the boundaries
10 of a district shall prepare and submit a boundary change impact statement to
11 the governing body of the district. The boundary change impact statement
12 shall contain at least the following information:

13 (a) A legal description of the boundaries of the area to be included
14 within the proposed change and a detailed, accurate map of the area. The
15 boundaries of the proposed change shall not overlap with the boundaries of
16 any other proposed new district of the same type or any annexation by a
17 district of the same type for which petitions are being circulated on the
18 date that the boundary change impact statement is filed with the governing
19 body.

20 (b) An estimate of the assessed valuation within the boundaries of the
21 proposed change.

22 (c) An estimate of the change in the tax rate of the district if the
23 proposed change is made.

24 (d) An estimate of the change in the property tax liability, as a
25 result of the proposed change, of a typical resident of a portion of the
26 district, not in the area of the proposed change, before and after the
27 proposed change and of a typical resident of the area of the proposed change.

28 (e) A list and explanation of benefits that will result from the
29 proposed change to the residents of the area and of the remainder of the
30 district.

31 (f) A list and explanation of the injuries that will result from the
32 proposed change to residents of the area and of the remainder of the
33 district.

34 2. On receipt of the boundary change impact statement, the governing
35 body shall set a day, not fewer than twenty nor more than thirty days from
36 that date, for a hearing on the boundary change impact statement. The board
37 of supervisors may at any time prior to making a determination pursuant to
38 paragraph 5 of this subsection require that the impact statement be amended
39 to include any information that the board of supervisors deems to be relevant
40 and necessary.

41 3. ~~Upon~~ ON receipt of the boundary change impact statement, the clerk
42 of the governing body shall mail, by first class mail, written notice of the
43 statement, its purpose and notice of the day, hour and place of the hearing
44 on the proposed change to each owner of taxable property within the
45 boundaries of the proposed change. The clerk of the governing body shall

1 post the notice in at least three conspicuous public places in the area of
2 the proposed change and also publish twice in a daily newspaper of general
3 circulation in the area of the proposed change, at least ten days before the
4 hearing, or if no daily newspaper of general circulation exists in the area
5 of the proposed change, ~~then~~ at least twice at any time before the date of
6 the hearing, a notice setting forth the purpose of the impact statement, the
7 description of the boundaries of the proposed change and the day, hour and
8 place of the hearing.

9 4. ~~Upon~~ ON receipt of the boundary change impact statement the clerk
10 shall also mail notice, as provided in paragraph 3 of this subsection, to the
11 chairman of the board of supervisors of the county in which the district is
12 located. The chairman of the board of supervisors shall order a review of
13 the proposed change and may submit written comments to the governing body of
14 the district within ten days of receipt of the notice.

15 5. At the hearing called pursuant to paragraph 2 of this subsection,
16 the governing body shall consider the comments of the board of supervisors,
17 hear those who appear for and against the proposed change and determine
18 whether the proposed change will promote the public health, comfort,
19 convenience, necessity or welfare. If the governing body determines that the
20 public health, comfort, convenience, necessity or welfare will be promoted,
21 it shall approve the impact statement and authorize the persons proposing the
22 change to circulate petitions as provided in this subsection. The order of
23 the governing body shall be final, but if the request to circulate petitions
24 is denied, a subsequent request for a similar change may be refiled with the
25 governing body after six months from the date of such denial.

26 6. The governing body shall not approve a proposed annexation if the
27 property to be annexed is not contiguous with the district's existing
28 boundary. For purposes of determining whether or not the proposed addition
29 is contiguous, the addition is deemed contiguous if land that is owned by or
30 under the jurisdiction of the United States government, this state or any
31 political subdivision of this state, other than an incorporated city or town,
32 intervenes between the proposed addition and the current district boundary.

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

36 8. After receiving the approval of the governing body as provided in
37 paragraph 5 of this subsection and provided no appeal filed pursuant to
38 paragraph 14 of this subsection remains unresolved, any adult person may
39 circulate and present petitions to the governing body of the district.

40 9. Within fifteen days after receiving the approval of the governing
41 body as prescribed by paragraph 5 of this subsection, the clerk of the board
42 shall determine the minimum number of signatures required to comply with
43 paragraph 10, subdivision (b) of this subsection. After making that
44 determination, that number of signatures shall remain fixed, notwithstanding

1 any subsequent changes in ownership of the property within the boundaries of
2 the proposed change.

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

6 (a) At all times, contain a legal description of the boundaries of the
7 area to be included within the proposed change and a detailed, accurate map
8 of the area included within the proposed change. No alteration of the
9 described area shall be made after receiving the approval of the governing
10 body as provided in paragraph 5 of this subsection.

11 (b) Be signed by more than one-half of the property owners within the
12 boundaries of the proposed change and be signed by persons owning
13 collectively more than one-half of the assessed valuation of the property
14 within the boundaries of the proposed change.

15 11. On receipt of the petitions, the governing body shall set a day,
16 not fewer than ten nor more than thirty days from that date, for a hearing on
17 the request.

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

21 13. At the hearing called pursuant to paragraph 11 of this subsection,
22 the governing body, if the petitions are valid, shall order the change to the
23 boundaries. The governing body shall enter its order setting forth its
24 determination in the minutes of the meeting, not later than ten days from the
25 day of the hearing, and a copy of the order shall be sent to the officer in
26 charge of elections and a copy shall be recorded in the county recorder's
27 office. The order of the governing body shall be final, and the proposed
28 change shall be made to the district boundaries thirty days after the
29 governing body votes.

30 14. On filing a verified complaint with the superior court, the
31 attorney general, the county attorney or any other interested party may
32 question the validity of the annexation for failure to comply with this
33 section. The complaint shall include a description of the alleged
34 noncompliance and shall be filed within thirty days after the governing body
35 of the district adopts a resolution that annexes the territory of the
36 district. The burden of proof is on the plaintiff to prove the material
37 allegations of the verified complaint. An action shall not be brought to
38 question the validity of an annexation resolution unless it is filed within
39 the time and for the reasons prescribed in this subsection. All hearings
40 that are held pursuant to this paragraph and all appeals of any orders shall
41 be preferred and shall be heard and determined in preference to all other
42 civil matters, except election actions. If more than one complaint
43 questioning the validity of an annexation resolution is filed, all such
44 complaints shall be consolidated for the hearing.

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

3 1. Property held in multiple ownership shall be treated as if it had
4 only one property owner, so that the signature of only one of the owners of
5 property held in multiple ownership is required on the boundary change
6 petition.

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

8 (a) In the case of property assessed by the county assessor, values
9 shall be the same as those shown on the last assessment roll of the county
10 containing such property.

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

19 3. All petitions circulated shall be returned to the governing body of
20 the district within one year from the date of the approval given by the
21 governing body pursuant to subsection A, paragraph 5 of this section. Any
22 petition returned more than one year from that date is void. If an appeal is
23 filed pursuant to subsection A, paragraph 14 of this section, this time
24 period for gathering signatures is tolled beginning on the date an action is
25 filed in superior court and continuing until the expiration of the time
26 period for any further appeal.

27 C. For the purposes of determining whether or not the proposed
28 addition is contiguous, the addition is deemed contiguous if land that is
29 owned by or under the jurisdiction of the United States government, this
30 state or any political subdivision of this state, other than an incorporated
31 city or town, intervenes between the proposed addition and the current
32 district boundary. Property shall not be approved for annexation if the area
33 proposed to be annexed surrounds any unincorporated territory and that
34 unincorporated territory is not also included in the district.

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

40 E. If the impact statement described in subsection A of this section
41 relates to the withdrawal of property from a district, in addition to the
42 other requirements of subsection A of this section, the governing body shall
43 also determine:

44 1. If the district has any existing outstanding bonds or other
45 evidences of indebtedness.

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

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

4 1. The property withdrawn from the district shall remain subject to
5 taxes, special assessments or fees levied or collected to meet the contracts
6 and covenants of the bonds. The board of supervisors shall provide for the
7 levy and collection of such taxes, special assessments or fees.

8 2. The governing body shall:

9 (a) Annually determine the amount of special property taxes, special
10 assessments or fees that must be levied and collected from property withdrawn
11 from the district and the mechanism by which such amount is to be collected.

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

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

17 G. If the statement described in subsection A, paragraph 1 of this
18 section requests the annexation of property located within an incorporated
19 city or town, in addition to the other requirements of subsection A of this
20 section, the governing body shall approve the district boundary change impact
21 statement and authorize the circulation of petitions only if the governing
22 body of the city or town has by ordinance or resolution endorsed such
23 annexation and such annexation is authorized pursuant to this title.

24 H. Except as provided in subsection D of this section and section
25 48-2002, no change in the boundaries of a district pursuant to this section
26 shall result in a district which contains area that is not contiguous.

27 I. Notwithstanding subsection A of this section, any property owner,
28 including a county, this state or the United States government, whose land is
29 within a county that contains a sanitary district or fire district and whose
30 land is contiguous to the boundaries of the sanitary district or fire
31 district may request in writing that the governing body of the district amend
32 the district boundaries to include that property owner's land. IF THE
33 PROPERTY IS LOCATED IN AN INCORPORATED CITY OR TOWN, IN ADDITION TO THE OTHER
34 REQUIREMENTS OF THIS SUBSECTION, THE GOVERNING BODY OF THE DISTRICT MAY
35 APPROVE THE BOUNDARY CHANGE ONLY IF THE GOVERNING BODY OF THE CITY OR TOWN,
36 BY ORDINANCE OR RESOLUTION, HAS ENDORSED INCLUSION OF THE PROPERTY IN THE
37 DISTRICT. A request made pursuant to this subsection shall be made before
38 the county board of supervisors orders the creation of a proposed new
39 district of the same type or the district governing body orders the
40 annexation by a district of the same type in which the property owner's land
41 is proposed for inclusion and for which petitions are being circulated. If
42 the governing body determines that the inclusion of that property will
43 benefit the district and the property owner, the boundary change may be made
44 by order of the governing body and is final on the recording of the governing
45 body's order that includes a legal description of the property that is added

1 to the district. If the governing body does not order the boundary change,
2 the land shall be included in the boundaries of the proposed new district of
3 the same type or annexation by a district of the same type in which the
4 property owner's land is proposed for inclusion and for which petitions are
5 being circulated. A petition and impact statement are not required for an
6 amendment to a sanitary district's or fire district's boundaries made
7 pursuant to this subsection.

8 J. A fire district shall not annex or otherwise add territory that is
9 already included in another existing fire district, unless deannexed pursuant
10 to subsections D, E and F of this section.

11 K. A fire district, community park maintenance district or sanitary
12 district may appropriate and spend monies as necessary or reasonably required
13 to assist one or more individuals or entities to change the district's
14 boundaries pursuant to this section.

15 L. Notwithstanding subsection A of this section, if an incorporated
16 city or town has previously adopted a resolution designating a fire district
17 as the fire service agency for the city or town, the jurisdictional
18 boundaries of the fire district without further notice or election shall be
19 changed to include any property annexed into the city or town. If the
20 annexation occurs pursuant to a joint petition for annexation, any joint
21 petition for annexation shall clearly indicate in its title and in the notice
22 required in [THE](#) petition that the property to be annexed will be subject to
23 the jurisdiction of both the city or town and the fire district. A joint
24 petition for annexation shall comply with both section 9-471 and this
25 section. Any fire district boundary change that occurs through city or town
26 annexation pursuant to this subsection is effective on the effective date of
27 the annexation by the incorporated city or town. If an incorporated city or
28 town that has designated a fire district as the fire service agency for that
29 city or town annexes property that is already part of another fire district,
30 the annexed property shall remain part of the fire district in which it was
31 located before the city or town's annexation.

32 M. For the purposes of this section, assessed valuation does not
33 include the assessed valuation of property that is owned by a county, this
34 state or the United States government.

35 Sec. 2. Section 48-805, Arizona Revised Statutes, is amended to read:
36 [48-805. Fire district; powers and duties](#)

37 A. A fire district, through its board or elected chief and
38 secretary-treasurer, shall:

39 1. Hold public meetings at least once each calendar month.

40 2. Prepare an annual budget that contains detailed estimated
41 expenditures for each fiscal year and that clearly shows salaries payable to
42 employees of the district, including the elected or appointed chief. The
43 budget shall be posted in three public places and published in a newspaper of
44 general circulation in the district thirty days before a public hearing at a
45 meeting called by the board or elected chief to adopt the budget. Copies of

1 the budget shall also be available to members of the public on written
2 request to the district. Following the public hearing, the district board or
3 elected chief and secretary-treasurer shall adopt a budget.

4 3. Determine the compensation payable to district personnel.

5 4. Require probationary employees in a paid sworn firefighter
6 position, a reserve firefighter position or a volunteer firefighter position
7 to submit a full set of fingerprints to the fire district. The fire district
8 shall submit the fingerprints to the department of public safety for the
9 purpose of obtaining a state and federal criminal records check pursuant to
10 section 41-1750 and Public Law 92-544. The department of public safety may
11 exchange this fingerprint data with the federal bureau of investigation.

12 B. A fire district, through its board or elected fire chief and
13 secretary-treasurer, may:

14 1. Employ any personnel and provide services deemed necessary for fire
15 protection, for preservation of life and for carrying out its other powers
16 and duties, including providing ambulance transportation services when
17 authorized to do so pursuant to title 36, chapter 21.1, article 2, but a
18 member of a district board shall not be an employee of the district. The
19 merger of two or more fire districts pursuant to section 48-820 or the
20 consolidation with one or more fire districts pursuant to section 48-822
21 shall not expand the boundaries of an existing certificate of necessity
22 unless authorized pursuant to title 36, chapter 21.1, article 2.

23 2. Construct, purchase, lease, lease-purchase or otherwise acquire the
24 following or any interest therein and, in connection with such construction
25 or other acquisition, purchase, lease, lease-purchase or grant a lien on any
26 or all of its present or future property, including:

27 (a) Apparatus, water and rescue equipment, including ambulances and
28 equipment related to any of the foregoing.

29 (b) Land, buildings, equipment and furnishings to house equipment and
30 personnel necessary or appropriate to carry out its purposes.

31 3. Finance the acquisition of property as provided in this section and
32 costs incurred in connection with the issuance of bonds as provided in
33 section 48-806. Bonds shall not be issued without the consent of a majority
34 of the electors of the district voting at an election held for that purpose.
35 For the purposes of an election held under this ~~subsection~~ PARAGRAPH, all
36 persons who are eligible to vote in fire district elections under section
37 48-802 are eligible to vote.

38 4. Enforce the fire code adopted by the district, if any, and assist
39 the state fire marshal in the enforcement of fire protection standards of
40 this state within the fire district including enforcement of a nationally
41 recognized fire code when expressly authorized by the state fire marshal.

42 5. After the approval of the qualified electors of the fire district
43 voting at a regular district election or at a special election called for
44 such purpose by the district board or the elected chief and
45 secretary-treasurer, as appropriate, or at any election held in the county

1 which encompasses the fire district, adopt the _____ fire code, which is
2 a nationally recognized fire code approved by the state fire marshal. The
3 words appearing on the ballots shall be "should _____ fire district
4 adopt the _____ fire code, which is a nationally recognized fire
5 code approved by the state fire marshal--yes", "should _____ fire
6 district adopt the _____ fire code, which is a nationally recognized
7 fire code approved by the state fire marshal--no". Such code shall be
8 enforced by the county attorney in the same manner as any other law or
9 ordinance of the county. Any inspection or enforcement costs are the
10 responsibility of the fire district involved. The district shall keep on
11 file such code which shall be open to public inspection for a period of
12 thirty days prior to any election for the purpose of adopting a fire code.
13 Copies of the order of election shall be posted in three public places in the
14 district not less than twenty days before the date of the election, and if a
15 newspaper is published in the county having a general circulation in the
16 district, the order shall be published in the newspaper not less than once a
17 week during each of the three calendar weeks preceding the calendar week of
18 the election.

19 6. Amend or revise the adopted fire code, including replacement of the
20 adopted fire code with an alternative nationally recognized fire code, with
21 the approval of the state fire marshal and after a hearing held pursuant to
22 posted and published notice as prescribed by subsection A, paragraph 2 of
23 this section. The district shall keep three copies of the adopted code,
24 amendments and revisions on file for public inspection.

25 7. Enter into an agreement procuring the services of an organized
26 private fire protection company or a fire department of a neighboring city,
27 town, district or settlement without impairing the fire district's powers.

28 8. Contract with a city or town for fire protection services for all
29 or part of the city or town area until the city or town elects to provide
30 regular fire department services to the area.

31 9. Retain a certified public accountant to perform an annual audit of
32 district books.

33 10. Retain private legal counsel.

34 11. Accept gifts, contributions, bequests and grants and comply with
35 any requirements of such gifts, contributions, bequests and grants not
36 inconsistent with this article.

37 12. Appropriate and expend annually such monies as are necessary for
38 the purpose of fire districts belonging to and paying dues in the Arizona
39 fire district association and other professional affiliations or entities.

40 13. Adopt resolutions establishing fee schedules both within and
41 outside of the jurisdictional boundaries of the district for providing fire
42 protection services and services for the preservation of life, including
43 emergency fire and emergency medical services, plan reviews, standby charges,
44 fire cause determination, users' fees, facilities benefit assessments or any
45 other fee schedule that may be required.

1 14. Adopt resolutions for a schedule for financial reimbursement to
2 taxpayers for installation of certain fire protection systems such as
3 sprinklers and monitored alarms. Any resolution to offer reimbursements
4 shall include all of the following:

5 (a) A nationally recognized analysis of the cost savings to the
6 district by using the fire protection systems.

7 (b) The specifications of all qualifying systems.

8 (c) The requirements for claiming reimbursement. The amount of
9 reimbursement offered shall bear a reasonable relationship to the cost
10 savings that accrue to the district as a result of the installation of
11 qualifying systems.

12 (d) The requirement that the resolution to offer reimbursements
13 expires one year after its adoption unless specifically readopted by the
14 governing board. A resolution to readopt a schedule for financial
15 reimbursement shall additionally include a statement as to the program's
16 effectiveness. The statement shall include the amount of reimbursements paid
17 to each taxpayer for the installation of the fire protection system.

18 15. ~~The governing board of a fire district,~~ With the approval of two of
19 the three members of a three member board, four of the five members of a five
20 member board or five of the seven members of a seven member board, ~~may~~ change
21 the district's name and on so doing shall give written notice to the board of
22 supervisors of the change **AND TO THE DIRECTOR OF THE ARIZONA STATE RETIREMENT**
23 **SYSTEM IF THE DISTRICT IS AN ARIZONA STATE RETIREMENT SYSTEM EMPLOYER. THE**
24 **GOVERNING BOARD OF A FIRE DISTRICT MAY PLACE A QUESTION ON THE BALLOT AT A**
25 **GENERAL ELECTION TO CHANGE THE DISTRICT'S NAME.**

26 16. Require all employees to submit a full set of fingerprints as
27 prescribed by subsection A, paragraph 4 of this section.

28 17. Enter into intergovernmental agreements or contracts as follows:

29 (a) Enter into an intergovernmental agreement with another political
30 subdivision for technical or administrative services or to provide fire
31 services to the property owned by the political subdivision, including
32 property that is outside the district boundary.

33 (b) Enter into a contract with individuals to provide technical or
34 administrative services.

35 (c) Enter into a contract with individuals to provide fire protection
36 services or emergency medical services, or both, to the extent not regulated
37 by title 36, chapter 21.1 to property owned by the individual located outside
38 the district boundaries if the individual's property is not located in a
39 county island as defined in section 11-251.12 and at least one of the
40 following apply:

41 (i) The existing fire service provider where the individual's property
42 is located has issued a notice to the individual that the provider plans to
43 discontinue service.

44 (ii) Fire service is not available to the individual's property.

1 (iii) Fire service is offered pursuant to a contract or subscription
2 and the individual has not obtained service for a period of twenty-four
3 months before the date of the contract with the district.

4 (d) Enter into a contract with individuals to provide fire services to
5 property owned by the individual located outside the district boundaries,
6 where the individual's property is located in a county island as defined in
7 section 11-251.12, if both of the following apply:

8 (i) The existing fire service provider where the individual's property
9 is located has issued a notice to the residents of the county island and the
10 individual that the provider plans to discontinue or substantially reduce
11 service.

12 (ii) The district offers contracts to all residents and property
13 owners of the county island who will be affected by the discontinuance or
14 substantial reduction in service by the current fire service provider.

15 (e) For the purposes of subdivision (a), (b), (c) or (d) of this
16 paragraph, a district may contract with any public or private fire service
17 provider to provide some or all of the contractual services the district is
18 contracting to deliver.

19 (f) Any contract entered into pursuant to subdivisions (b), (c) and
20 (d) of this paragraph shall include a provision setting forth the cost of
21 service and performance criteria.

22 C. The chairman and clerk of the district board or their respective
23 designees or the elected chief and secretary-treasurer, as applicable, shall
24 draw warrants on the county treasurer for money required to operate the
25 district in accordance with the budget and, as so drawn, the warrants shall
26 be sufficient to authorize the county treasurer to pay from the fire district
27 fund.

28 D. The district shall not incur any debt or liability in excess of
29 taxes levied and to be collected and the money actually available and
30 unencumbered at the time in the fund, except as provided in subsection B,
31 paragraph 2 of this section and in sections 48-806 and 48-807.

32 E. The district board may assess and levy a secondary property tax
33 pursuant to this article to pay for the costs of fire protection services or
34 emergency medical services except for services regulated pursuant to title
35 36, chapter 21.1.

36 F. The county attorney may advise and represent the district when in
37 the county attorney's judgment such advice and representation are appropriate
38 and not in conflict with the county attorney's duties under section 11-532.
39 If the county attorney is unable to advise and represent the district due to
40 a conflict of interest, the district may retain private legal counsel or may
41 request the attorney general to represent it, or both.

1 Sec. 3. Section 48-812, Arizona Revised Statutes, is amended to read:

2 48-812. Disposition of fire district assets and relief and
3 pension fund assets on annexation by or inclusion in
4 a city or town; election

5 A. When any area having a fire district established under this article
6 is entirely annexed to a city or town or entirely included within a newly
7 organized city or town, the fire district of the area annexed and all its
8 assets, including personnel, and liabilities of whatever description, ~~shall~~
9 AT THE OPTION OF THE FIRE DISTRICT'S RESIDENTS, MAY be merged and become a
10 part of the fire department of the annexing city or town ~~upon~~ ON the date the
11 city or town elects to provide fire protection services to such area IF THE
12 FIRE DISTRICT'S RESIDENTS ELECT TO RECEIVE THOSE SERVICES.

13 B. BEFORE ACCEPTING MUNICIPAL FIRE SERVICES IN ALL OR PART OF THE FIRE
14 DISTRICT, THE FIRE DISTRICT MAY HOLD AN ELECTION ON THE QUESTION OF
15 ACCEPTANCE OF THE MUNICIPAL FIRE SERVICES. THE FIRE DISTRICT'S GOVERNING
16 BOARD, OR IF THERE IS NO GOVERNING BOARD, THE FIRE DISTRICT CHIEF MAY CALL AN
17 ELECTION ON THE QUESTION OF ACCEPTING MUNICIPAL FIRE SERVICES. THE ELECTION
18 SHALL BE HELD AS A MAIL BALLOT ELECTION PURSUANT TO TITLE 16, CHAPTER 4,
19 ARTICLE 8.1, AND THE QUESTION ON THE BALLOT SHALL BE "ACCEPT CITY FIRE
20 SERVICES, YES" AND "ACCEPT CITY FIRE SERVICES, NO". ONLY THOSE QUALIFIED
21 ELECTORS IN THE PORTION OF THE DISTRICT THAT IS PROPOSED FOR ACCEPTANCE OF
22 MUNICIPAL FIRE SERVICES ARE ELIGIBLE TO VOTE ON THE QUESTION, AND THE
23 MAJORITY OF THOSE VOTING ON THE QUESTION SHALL DETERMINE THE OUTCOME.

24 C. IF MUNICIPAL FIRE SERVICES APPROVED:

25 ~~B.~~ 1. All assets and liabilities of whatever description and all
26 books and records belonging to a fire fighters' relief and pension fund of an
27 area annexed or newly organized shall be transferred to and shall become the
28 property of the fire fighters' relief and pension fund of the annexing or
29 newly organized city or town ~~upon~~ ON the date the city or town elects to
30 provide fire protection services to such area.

31 ~~C.~~ 2. Any firefighter who is employed on a full-time basis by a fire
32 district and who becomes employed as a firefighter by an annexing or newly
33 organized city or town within sixty days from and after the date the city or
34 town elects to provide fire protection services to such area, ~~shall~~ shall become a
35 member of the annexing or newly organized city or town's fire fighters'
36 relief and pension fund, and that firefighter shall be granted service credit
37 by the annexing or newly organized city or town in the same manner and in all
38 respects as if the service had been rendered as a firefighter in the
39 employment of the annexing or newly organized city or town, provided that the
40 funds contributed by the firefighter to the fire district's fire fighters'
41 relief and pension fund are transferred to the annexing or newly organized
42 city or town's fire fighters' relief and pension fund, or if not so
43 transferred, provided that the firefighter pay to the annexing or newly
44 organized city or town's fire fighters' relief and pension fund the amount
45 withdrawn, including the interest received at time of withdrawal.

1 ~~D.~~ 3. All pensions being paid on the effective date of annexation or
2 organization from funds of the fire fighters' relief and pension fund of an
3 area annexed by a city or town or newly organized city or town shall continue
4 to be paid in accordance with section 9-967 by the fire fighters' relief and
5 pension fund of the annexing or newly organized city or town.

6 4. THE FIRE DISTRICT OF THE AREA ANNEXED SHALL SEND NOTICE OF THE
7 ANNEXATION TO THE DIRECTOR OF THE ARIZONA STATE RETIREMENT SYSTEM IF THE FIRE
8 DISTRICT WAS AN ARIZONA STATE RETIREMENT SYSTEM EMPLOYER BEFORE THE
9 ANNEXATION.

10 Sec. 4. Section 48-813, Arizona Revised Statutes, is amended to read:

11 48-813. Deletion of annexed area from fire district territory;
12 provision for continued protection; proposed
13 annexation

14 A. If any part or all of the territory of a district is annexed to a
15 city or town, ~~or~~ or is included within a newly organized city or town AND IF
16 THE GOVERNING BODY OF THE FIRE DISTRICT OR, IF THERE IS NO GOVERNING BODY,
17 THE FIRE CHIEF APPROVES THE ACCEPTANCE OF MUNICIPAL FIRE SERVICES OR IF ANY
18 ELECTION ON THE QUESTION IS HELD AS PRESCRIBED IN SECTION 48-812 AND THE
19 MAJORITY OF THOSE VOTING ON THE QUESTION APPROVES THE ACCEPTANCE OF MUNICIPAL
20 FIRE SERVICES, the territory within the city or town remains a part of the
21 district until the next July 1 following the time when the city or town
22 elects to provide regular fire department services to the annexed or included
23 area. The annexed or included area remains subject to taxes levied as
24 provided in section 48-806 for bonds of the district outstanding at the time
25 of filing of the petition seeking annexation or incorporation until final
26 payment on the bonds and is subject to taxes levied pursuant to section
27 48-807 until the termination date.

28 B. On and after the termination date, no taxes may be levied pursuant
29 to section 48-807 on such area except as necessary to pay valid claims
30 existing against the district on the termination date.

31 C. If a city or town provides regular fire protection to its residents
32 and is unable to provide equal fire protection to annexed or included
33 territory, OR IF THE FIRE DISTRICT DETERMINES TO CONTRACT WITH A CITY OR
34 TOWN, the city or town may contract with a fire district in proximity to the
35 annexed or included territory for the purpose of supplying fire protection
36 until the city or town is able to provide equal fire protection to the
37 annexed or included territory.

38 D. If any part but not all of the territory of a district is annexed
39 to a city or town AND IF THE GOVERNING BODY OF THE FIRE DISTRICT OR THE FIRE
40 CHIEF APPROVES OR THE VOTERS ON THE QUESTION APPROVE THE ACCEPTANCE OF
41 MUNICIPAL FIRE SERVICES or is included within a newly organized city or town,
42 ~~all~~ THE assets of the district ~~remain the property of the district.~~ SHALL BE
43 DIVIDED PROPORTIONATELY BETWEEN THE DISTRICT AND THE ANNEXING CITY OR TOWN,
44 BASED ON THE TOTAL ASSESSED VALUATION OF THE DISTRICT BEFORE THE ANNEXATION
45 AND THE TOTAL ASSESSED VALUATION OF THE DISTRICT AFTER THE ANNEXATION. THE

1 DIVISION SHALL BE EFFECTIVE ON THE DATE THAT THE PROPERTY BECOMES A PART OF
2 THE CITY OR TOWN AS PRESCRIBED IN SUBSECTION A OF THIS SECTION.

3 E. At least thirty days before a city or town completes the annexation
4 of any part of a district pursuant to title 9, chapter 4, article 7, the city
5 or town shall notify the affected district in writing of the proposed
6 annexation. The city or town and the district may enter into an
7 intergovernmental agreement, pursuant to title 11, chapter 7, article 3, to
8 mitigate any detrimental effects on district services to the remaining
9 population in the district as a result of the annexation.

10 Sec. 5. Section 48-820, Arizona Revised Statutes, is amended to read:

11 48-820. Election to merge fire districts; notice; hearing;
12 approval; joint meeting; merged district board

13 A. Except as provided in subsection J of this section, the board of
14 supervisors shall make an order calling for an election to decide whether to
15 merge fire districts when a resolution for merger from each district is
16 submitted to the board. The board of supervisors shall not make an order
17 calling for an election to merge fire districts more frequently than once
18 every two years. Whether or not the districts are merged, the fire districts
19 shall reimburse the counties for the expenses of the election, including the
20 cost of mailing any notices required pursuant to this section. If the
21 proposed district is located in more than one county, the resolutions shall
22 be submitted to the board of supervisors of the county in which the majority
23 of the assessed valuation of the proposed district is located. The words
24 appearing on the ballot shall be "(insert fire districts' names) merge as a
25 fire district--yes" and "(insert fire districts' names) merge as fire
26 district--no."

27 B. Within fourteen days after the election, the board of supervisors
28 shall meet and canvass the returns, and if it is determined that a majority
29 of the votes cast at the election in each of the affected districts is in
30 favor of merging the fire districts, the board shall enter that fact on its
31 minutes.

32 C. Except as prescribed in subsection D of this section, two or more
33 fire districts may merge if the governing body of each affected fire
34 district, by a majority vote of the members of each governing body, adopts a
35 resolution declaring that a merger be considered and a public hearing be held
36 to determine if a merger would be in the best interests of the district and
37 would promote public health, comfort, convenience, necessity or welfare.
38 After each district adopts such a resolution, the governing body by first
39 class mail IN A SEALED ENVELOPE shall send written notice of the resolution
40 PRINTED IN TWELVE POINT FONT, its purpose and notice of the day, hour and
41 place of a hearing on the proposed merger to each owner of taxable property
42 within the boundaries of the district. The notice shall contain the name and
43 description of the boundaries of each district proposed to be merged and a
44 detailed, accurate map of the area to be included in the merger. No new
45 territory may be included as a result of the merger.

1 D. TWO OR MORE FIRE DISTRICTS THAT EACH HAVE A SECONDARY PROPERTY TAX
2 LEVY OF MORE THAN FIVE MILLION DOLLARS MAY MERGE ONLY AFTER RECEIVING THE
3 APPROVAL OF A MAJORITY OF THOSE VOTING ON THE MATTER IN EACH OF THE DISTRICTS
4 PROPOSED TO BE MERGED. A noncontiguous county island fire district formed
5 pursuant to section 48-851 shall not merge with a fire district formed
6 pursuant to section 48-261.

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

18 F. At the hearing, the governing body of the district shall consider
19 the comments of the board of supervisors, hear those persons who appear for
20 or against the proposed merger and determine whether the proposed merger will
21 promote public health, comfort, convenience, necessity or welfare. If, after
22 the public hearing each of the governing bodies of the districts affected by
23 the proposed merger adopt a resolution by a ~~three-fourths~~ MAJORITY vote that
24 the merger will promote public health, comfort, convenience, necessity or
25 welfare, each of the governing bodies of the districts affected by the
26 proposed merger shall submit the resolutions CALLING FOR AN ELECTION to the
27 board of supervisors.

28 G. Before considering any resolution of merger pursuant to this
29 section, a governing body shall obtain written consent to the merger from any
30 single taxpayer residing within each of the affected districts who owns
31 thirty per cent or more of the net assessed valuation of the total net
32 assessed valuation of the district. If written consent contemplated by this
33 subsection is not obtained, ~~then the provisions of~~ subsections A and B apply,
34 and the merger may only be accomplished by election.

35 H. If the ~~proposal for~~ merger is approved as provided by subsection B
36 OR J of this section, the governing body of the affected district with the
37 largest population within thirty days shall call a joint meeting of the
38 governing bodies of all of the affected districts. At the joint meeting, a
39 majority of the members of the governing body of each affected district
40 constitutes a quorum for the purpose of transacting business. The members of
41 the governing body shall appoint a total of five persons from those currently
42 serving on the governing bodies who shall complete their regular terms of
43 office, except that no more than three of the persons appointed may serve
44 terms that end in the same year. No more than three members shall be
45 appointed from the same fire district board. Subsequent terms of office for

1 district board members shall be filled by election of board members who shall
2 be qualified electors of the merged district.

3 I. The appointed governing body shall immediately meet and organize
4 itself and elect from its members a chairman and a clerk. The appointed
5 board by resolution shall declare the districts merged and each affected
6 district joined. The governing board by resolution shall declare the name of
7 the newly merged fire district. The resolution and the names of the new
8 board members for the newly organized district shall be sent to the board of
9 supervisors AND TO THE DIRECTOR OF THE ARIZONA STATE RETIREMENT SYSTEM, IF
10 EITHER DISTRICT WAS AN ARIZONA STATE RETIREMENT SYSTEM EMPLOYER BEFORE THE
11 MERGER, and the ~~merger shall be deemed completed~~ DISTRICTS ARE MERGED
12 EFFECTIVE thirty days after the adoption of the resolution.

13 J. If the requirements of subsection G of this section are met and
14 each of the governing body votes required by subsections C and F of this
15 section are unanimous, THE FOLLOWING APPLY:

16 1. THE GOVERNING BODIES OF EACH DISTRICT MAY CHOOSE TO MERGE BY
17 UNANIMOUS RESOLUTION WITHOUT AN ELECTION AND subsections A and B of this
18 section do not apply.

19 2. THE GOVERNING BODIES OF EACH DISTRICT MAY CHOOSE TO HOLD AN
20 ELECTION ON THE QUESTION OF MERGER AND SUBSECTIONS A AND B OF THIS SECTION
21 APPLY.

22 Sec. 6. Section 48-822, Arizona Revised Statutes, is amended to read:
23 48-822. Election to consolidate fire districts; resolution;
24 impact statement; hearing

25 A. Except as provided in subsection E of this section, the board of
26 supervisors shall make an order calling for an election to decide whether to
27 consolidate fire districts when a resolution for consolidation ~~of fire~~
28 ~~districts from the requesting~~ FROM EACH district is submitted to the board.
29 The board of supervisors shall not make an order calling for an election to
30 consolidate fire districts more frequently than once every two years.
31 Whether or not the districts are consolidated, the fire districts shall
32 reimburse the counties for the expenses of the election, including the cost
33 of mailing any notices. If the proposed district is located in more than one
34 county, the resolutions shall be submitted to the board of supervisors of the
35 county in which the majority of the assessed valuation of the proposed
36 district is located. The words appearing on the ballot shall be "(insert
37 fire districts' names) consolidate as a fire district--yes" and "(insert fire
38 districts' names) consolidate as fire district--no."

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

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

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

9 2. On receipt of the resolution requesting consolidation, and on
10 approval by majority vote of the governing body receiving the request, the
11 fire districts by mutual agreement shall prepare a consolidation impact
12 statement that includes the following:

13 (a) A legal description of the boundaries of the proposed consolidated
14 district and a detailed, accurate map of the area to be included in the
15 consolidated district. No new territory may be included as a result of a
16 district consolidation.

17 (b) An estimate of the assessed valuation in the proposed consolidated
18 district.

19 (c) An estimate of the change in the property tax liability of a
20 typical resident of the proposed consolidated district as a result of the
21 proposed consolidated district.

22 (d) A list and explanation of benefits that will result from the
23 proposed consolidated district.

24 (e) A list and explanation of the injuries that will result from the
25 proposed consolidated district.

26 3. On completion of the consolidation impact statement, the governing
27 body of each fire district shall set a day for a hearing on the impact
28 statement that is not fewer than ~~sixty~~ THIRTY nor more than ~~ninety~~ SIXTY days
29 after the date of the completion and approval of the consolidation impact
30 statement. The district governing bodies at any time before making a
31 determination pursuant to paragraph 5 of this subsection may require that the
32 impact statement be amended to include any information that the board deems
33 to be relevant and necessary.

34 4. On setting the date for hearing on the consolidated district impact
35 statement, the clerk of each governing body shall send by first class mail IN
36 A SEALED ENVELOPE written notice of the statement PRINTED IN TWELVE POINT
37 FONT, its purpose and notice of the day, hour and place of the hearing on the
38 proposed consolidated district to each owner of taxable property within the
39 boundaries of the respective fire districts. At least ten days before the
40 hearing, the clerk of each governing body shall post the notice in at least
41 three conspicuous public places in the respective districts and shall publish
42 notice twice in a daily newspaper of general circulation in the area of the
43 proposed consolidated district. THE CLERK OF EACH GOVERNING BODY AFFECTED BY
44 THE PROPOSED CONSOLIDATION ALSO SHALL MAIL NOTICE AND A COPY OF THE
45 RESOLUTION IN SUPPORT OF THE CONSOLIDATION TO THE CHAIRMAN OF THE BOARD OF

1 SUPERVISORS OF THE COUNTY OR COUNTIES IN WHICH THE AFFECTED DISTRICTS ARE
2 LOCATED. THE CHAIRMAN OF THE BOARD OF SUPERVISORS SHALL ORDER A REVIEW OF
3 THE PROPOSED CONSOLIDATION AND SHALL SUBMIT WRITTEN COMMENTS TO THE GOVERNING
4 BODY OF EACH FIRE DISTRICT LOCATED IN THAT COUNTY WITHIN TEN DAYS AFTER
5 RECEIPT OF THE NOTICE.

6 5. At the hearing called pursuant to paragraph 3 of this subsection,
7 the governing body shall CONSIDER THE COMMENTS OF THE BOARD OF SUPERVISORS,
8 SHALL hear those persons who appear for and against the proposed consolidated
9 district and shall determine whether the creation of the district will
10 promote public health, comfort, convenience, necessity or welfare. If the
11 governing body of each district determines BY A MAJORITY VOTE that the public
12 health, comfort, convenience, necessity or welfare will be promoted, it shall
13 approve the consolidated district impact statement.

14 6. Within fifteen days after the approval of the board as prescribed
15 by paragraph 5 of this subsection, the clerk of the board of the district
16 requesting consolidation shall send by first class mail notice of the
17 approval to the fire district in which the consolidation is requested.

18 7. After receiving the approval of the requesting governing body to
19 consolidate districts as provided in paragraph 6 of this subsection, the
20 governing body of the district into which consolidation was requested shall
21 set a day for a hearing on the consolidation of the districts. The hearing
22 shall be held not fewer than thirty nor more than sixty days after the date
23 of the approval by the requesting governing body.

24 8. At the hearing called pursuant to paragraph 7 of this subsection,
25 the governing body shall determine if the creation of the consolidated
26 district will promote public health, comfort, convenience, necessity or
27 welfare. If the governing body of the district determines BY A MAJORITY VOTE
28 that the public health, comfort, convenience, necessity or welfare will be
29 promoted, it shall ~~by resolution declare the districts consolidated and each~~
30 ~~affected district joined~~ APPROVE THE CONSOLIDATED DISTRICT IMPACT STATEMENT.

31 9. The governing body OF EACH FIRE DISTRICT shall submit the
32 resolution of consolidation to the board of supervisors.

33 10. IF THE PROPOSAL FOR CONSOLIDATION IS APPROVED AS PROVIDED IN
34 SUBSECTION B OF THIS SECTION, THE GOVERNING BODY OF THE DISTRICT INTO WHICH
35 CONSOLIDATION WAS REQUESTED SHALL BY RESOLUTION DECLARE THE DISTRICT
36 CONSOLIDATED AND EACH AFFECTED DISTRICT JOINED. Those persons currently
37 serving as the governing body of the district into which consolidation was
38 requested shall serve as the governing body of the newly consolidated
39 district and complete their regular terms of office. The newly consolidated
40 district governing body shall consist of at least five members.

41 11. IF A PROPOSAL FOR CONSOLIDATION IS APPROVED AND IF EITHER DISTRICT
42 IS AN ARIZONA STATE RETIREMENT SYSTEM EMPLOYER BEFORE THE CONSOLIDATION, THE
43 GOVERNING BODY OF THE NEWLY CONSOLIDATED DISTRICT SHALL NOTIFY THE DIRECTOR
44 OF THE ARIZONA STATE RETIREMENT SYSTEM OF THE CONSOLIDATION AND THE NAME OF
45 EACH AFFECTED DISTRICT AND THE NAME OF THE NEWLY CONSOLIDATED DISTRICT.

1 ~~11.~~ 12. If the consolidation results in a new district population that
2 is greater than fifty thousand persons, the new governing board may appoint
3 an additional two members to serve until the next general election at which
4 time the newly elected member with the highest number of votes serves a four
5 year term and the other member serves a two year term. Thereafter, the term
6 of office for these two new members is four years.

7 ~~12.~~ 13. The governing body by resolution shall declare the name of the
8 newly consolidated fire district.

9 ~~13.~~ 14. If a newly consolidated fire district has a combined
10 population that exceeds fifty thousand persons, the governing body of the
11 newly consolidated fire district by resolution may declare the name of the
12 newly consolidated fire district to include within the name the title of fire
13 authority.

14 ~~14.~~ 15. If a proposed consolidated district would include property
15 located in an incorporated city or town, in addition to the other
16 requirements of this section, the governing body of the district shall
17 approve the creation of the consolidated district only if the governing body
18 of the city or town endorses the creation by ordinance or resolution.

19 ~~15.~~ 16. Before considering any resolution of consolidation pursuant to
20 this section, a governing body shall obtain written consent to the
21 consolidation from any single taxpayer residing within each of the affected
22 districts who owns thirty per cent or more of the net assessed valuation of
23 the total net assessed valuation of the district.

24 D. TWO OR MORE DISTRICTS THAT EACH HAVE A SECONDARY PROPERTY TAX LEVY
25 OF MORE THAN FIVE MILLION DOLLARS MAY CONSOLIDATE ONLY AFTER RECEIVING THE
26 APPROVAL OF A MAJORITY OF THOSE VOTING ON THE MATTER IN EACH OF THE DISTRICTS
27 PROPOSED TO BE CONSOLIDATED. A noncontiguous county island fire district
28 formed pursuant to section 48-851 shall not consolidate with a fire district
29 formed pursuant to section 48-261.

30 E. If the requirements of subsection C, paragraph 15 of this section
31 are met and each of the governing body votes required by this section are
32 unanimous, THE FOLLOWING APPLY:

33 1. THE GOVERNING BODIES OF EACH DISTRICT MAY CHOOSE TO CONSOLIDATE BY
34 UNANIMOUS RESOLUTION WITHOUT AN ELECTION AND subsections A and B of this
35 section do not apply.

36 2. THE GOVERNING BODIES OF EACH DISTRICT MAY CHOOSE TO HOLD AN
37 ELECTION ON THE QUESTION OF CONSOLIDATION AND SUBSECTIONS A AND B OF THIS
38 SECTION APPLY.