

REFERENCE TITLE: fire districts; noncontiguous county areas

State of Arizona
Senate
Forty-eighth Legislature
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2007

SB 1556

Introduced by
Senator Tibshraeny

AN ACT

AMENDING SECTIONS 9-955, 11-251.12, 48-261, 48-803 AND 48-805, ARIZONA REVISED STATUTES; AMENDING TITLE 48, CHAPTER 5, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 48-805.01; AMENDING SECTIONS 48-807, 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 9-955, Arizona Revised Statutes, is amended to
3 read:

4 9-955. Officers of board; meetings; procedure for disbursements

5 A. The board of trustees shall elect from its members the president
6 and secretary of the board for the ensuing year. The city or town treasurer,
7 or the county treasurer, as the case may be, shall be treasurer, except that
8 if the board of trustees of a fire district assumes the responsibility for
9 investing and reinvesting the funds pursuant to section 9-957, subsection B,
10 the board of trustees may elect from its members a treasurer who is
11 responsible for the custody of the cash and securities of the fund and for
12 executing the decisions of the board of trustees with respect to investments,
13 reinvestments, receipts and disbursements.

14 B. The board shall meet annually and at such other times as the
15 president may direct.

16 C. The board shall issue orders signed by the president and the
17 secretary to the beneficiaries of the amounts ordered paid to such
18 beneficiaries from the fund stating the conditions of the payment. The board
19 of trustees of a fire fighters' relief and pension fund of a fire district
20 which procures the services of a private fire protection company ~~pursuant to~~
21 ~~section 48-805, subsection B, paragraph 8~~ may pay directly to the board of
22 the fire district an amount each year of not to exceed the cost of the
23 private fire protection company's pension plan but only to the extent monies
24 are available in the fund. The board shall keep a public record of its
25 proceedings. At each regular meeting it shall transmit to the city, town or
26 county treasurer, as the case may be, a written list of all persons entitled
27 to benefits from the fund, stating the reason and amount of the benefits.
28 The list shall be certified and signed by the president and secretary and
29 attested under oath. The treasurer of the city or town, or in the case of
30 unincorporated towns, the county treasurer, shall thereupon enter a copy of
31 the list upon a book kept for that purpose. The fund shall not be disbursed
32 without a majority vote of the members of the board, the vote to be entered
33 upon the minutes.

34 D. Notwithstanding ~~the provisions of~~ subsections A and C of this
35 section, if the board of trustees of a fire district assumes the
36 responsibility for investing and reinvesting the funds pursuant to section
37 9-957, subsection B, the duties of the treasurer may be performed by a member
38 of the board elected by the board. If the duties of the treasurer are
39 performed by a member of the board he shall be bonded for an amount
40 determined by the board which amount shall not be less than the maximum
41 amount of funds in the account at any one time during the previous year.

1 Sec. 2. Section 11-251.12, Arizona Revised Statutes, is amended to
2 read:

3 11-251.12. Noncontiguous county islands; fire and emergency
4 services protection; intergovernmental agreement
5 with adjoining municipalities; definitions

6 A. A county ~~with~~ THAT HAS a population of more than one million five
7 hundred thousand persons and that has a county island that does not form a
8 county island fire district as prescribed by section ~~48-261, subsection H~~
9 ~~shall~~ 48-805.01 MAY enter into an intergovernmental agreement with a
10 municipality or municipalities for fire protection and emergency medical
11 services in that county island.

12 B. Notwithstanding any other law, a county is liable if the county was
13 negligent in enforcing building, zoning or other related codes in a county
14 island and a municipality that has an intergovernmental agreement to provide
15 fire and emergency medical services pursuant to this section is hindered in
16 responding to an emergency because of a building, zoning or other related
17 code issue.

18 ~~B. If a municipality elects to provide fire and emergency medical~~
19 ~~services in a county island where a private provider of fire or emergency~~
20 ~~services already has facilities or provides service, the municipality and the~~
21 ~~private provider shall enter into an agreement covering the roles and~~
22 ~~relationships regarding mutual aid or backup agreements and any services for~~
23 ~~which the municipality wishes to contract and any reimbursement or billing~~
24 ~~and collection practices. The agreement shall be executed before the~~
25 ~~municipality commences providing service in the county island. No agreement~~
26 ~~is required if the private provider notifies the municipality that it will~~
27 ~~cease service in the county island within one hundred eighty days after the~~
28 ~~date the municipality commences providing service.~~

29 C. THE COUNTY IN WHICH ANY PROPERTY OF A FIRE DISTRICT IS LOCATED
30 SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE PROVIDER OF FIRE PROTECTION OR
31 EMERGENCY MEDICAL SERVICES FROM AND AGAINST ANY CLAIMS OR EXPENSES TO WHICH
32 IT MAY BE SUBJECTED BY REASON OF INJURY OR DEATH OF ANY PERSON OR LOSS OR
33 DAMAGE TO ANY PROPERTY DIRECTLY ATTRIBUTABLE TO THE PROVISION OF THE SERVICES
34 UNLESS THE SERVICES WERE PROVIDED IN A GROSSLY NEGLIGENT MANNER.

35 ~~C.~~ D. For the purposes of this article:

36 1. "County island" means EITHER OF THE FOLLOWING:

37 (a) Unincorporated territory that is surrounded on all sides by a
38 municipality. ~~or where the~~

39 (b) Unincorporated territory THAT has borders that involve ~~a~~ ANY
40 combination of THE FOLLOWING:

41 (i) A municipality or municipalities. ~~and~~

42 (ii) An Indian reservation.

43 (iii) PUBLICLY OWNED LAND.

44 2. "FIRE SERVICE" AND "FIRE PROTECTION" INCLUDE FIRE PREVENTION,
45 INSPECTION AND ENFORCEMENT.

1 supervisors, at any time prior to making a determination pursuant to
2 paragraph 4 of this subsection, may require that the impact statement be
3 amended to include any information that the board of supervisors deems to be
4 relevant and necessary.

5 3. ~~Upon~~ **ON** receipt of the district impact statement, the clerk of the
6 board of supervisors shall mail, by first class mail, written notice of the
7 statement, its purpose and notice of the day, hour and place of the hearing
8 on the proposed district to each owner of taxable property and to each
9 household in which a qualified elector resides within the boundaries of the
10 proposed district. The clerk of the board of supervisors shall post the
11 notice in at least three conspicuous public places in the area of the
12 proposed district and shall publish twice in a daily newspaper of general
13 circulation in the area of the proposed district, at least ten days before
14 the hearing, or, if no daily newspaper of general circulation exists in the
15 area of the proposed district, then at least twice at any time before the
16 date of the hearing, a notice setting forth the purpose of the impact
17 statement, the description of the area of the proposed district and the day,
18 hour and place of the hearing.

19 4. At the hearing called pursuant to paragraph 2 of this subsection,
20 the board of supervisors shall hear those who appear for and against the
21 proposed district and shall determine whether the creation of the district
22 will promote public health, comfort, convenience, necessity or welfare. If
23 the board of supervisors determines that the public health, comfort,
24 convenience, necessity or welfare will be promoted, it shall approve the
25 district impact statement and authorize the persons proposing the district to
26 circulate petitions as provided in this subsection. For a community park
27 maintenance district that is required to obtain the approval of more than one
28 county's board of supervisors, the petitions may only be circulated after
29 approval of the board of supervisors from each affected county. The order of
30 the board of supervisors shall be final, but if the request to circulate
31 petitions is denied, a subsequent request for a similar district may be
32 refiled with the board of supervisors after six months from the date of such
33 denial.

34 5. Within fifteen days after receiving the approval of the board of
35 supervisors as prescribed by paragraph 4 of this subsection, the clerk of the
36 board shall determine the minimum number of signatures required for
37 compliance with paragraph 7, ~~subdivision~~ **SUBDIVISIONS** (b) and (c) of this
38 subsection. After making that determination, that number of signatures shall
39 remain fixed, notwithstanding any subsequent changes in voter registration
40 records.

41 6. After receiving the approval of the board of supervisors as
42 provided in paragraph 4 of this subsection, any adult person may circulate
43 and present petitions to the board of supervisors of the county in which the
44 district is located. All petitions circulated shall be returned to the board
45 of supervisors within one year from the date of the approval of the board of

1 supervisors pursuant to paragraph 4 of this subsection. Any petition that is
2 returned more than one year from that date is void.

3 7. The petitions presented pursuant to paragraph 6 of this subsection
4 shall comply with the provisions regarding petition form in section 48-265
5 and verification in section 48-266 and shall:

6 (a) At all times, contain a legal description of the boundaries of the
7 proposed district and a detailed, accurate map of the proposed district and
8 the names, addresses and occupations of the proposed members of the
9 district's organizing board of directors. No alteration of the proposed
10 district shall be made after receiving the approval of the board of
11 supervisors as provided in paragraph 4 of this subsection.

12 (b) Be signed by more than one-half of the property owners in the area
13 of the proposed district and be signed by persons owning collectively more
14 than one-half of the assessed valuation of the property in the area of the
15 proposed district.

16 (c) If a petition of qualified electors, be signed by more than
17 one-half of the qualified electors within the boundaries of the proposed
18 district.

19 8. On receipt of the petitions, the board of supervisors shall set a
20 day, not fewer than ten nor more than thirty days from that date, for a
21 hearing on the petition.

22 9. Prior to the hearing called pursuant to paragraph 8 of this
23 subsection, the board of supervisors shall determine the validity of the
24 petitions presented.

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

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

41 1. Qualified electors shall be those persons qualified to vote
42 pursuant to title 16.

43 2. Property held in multiple ownership shall be treated as if it had
44 only one property owner, so that the signature of only one of the owners of
45 property held in multiple ownership is required on the formation petition.

1 3. 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 such property.

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

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

23 D. If a district is created pursuant to this section, the cost of
24 publication of the notice of hearing, the mailing of notices to electors and
25 property owners and all other costs incurred by the county as a result of ~~the~~
26 ~~provisions of~~ this section shall be a charge against the district.

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

32 F. Except as provided in section [48-805.01](#) AND SECTION 48-2001,
33 subsection A, the area of a district created pursuant to this section shall
34 be contiguous.

35 G. A district organized pursuant to this section shall have an
36 organizing board of directors to administer the affairs of the district until
37 a duly constituted board of directors is elected as provided in this title.
38 The organizing board shall have all the powers, duties and responsibilities
39 of an elected board. The organizing board shall consist of the three
40 individuals named in the district impact statement and the petitions
41 presented pursuant to subsection A of this section. If a vacancy occurs on
42 the organizing board, the remaining board members shall fill the vacancy by
43 appointing an interim member. Members of the organizing board shall serve
44 without compensation but may be reimbursed for actual expenses incurred in

1 performing their duties. The organizing board shall elect from its members a
2 chairman and a clerk.

3 ~~H. For a county island fire district only:~~

4 ~~1. Any person may petition the board of supervisors for the county in~~
5 ~~which the county island fire district is proposed to be located. The~~
6 ~~petitions shall comply with section 48-265 regarding petition form and shall~~
7 ~~be verified as prescribed in section 48-266. If the petitions submitted are~~
8 ~~verified as having the signatures of more than one half of the aggregate~~
9 ~~number of owners of all of the real property located in the county islands in~~
10 ~~the proposed district as prescribed by section 48-805, subsection E,~~
11 ~~paragraph 1, after a hearing, the board of supervisors may certify the~~
12 ~~establishment of the county island fire district. The county island fire~~
13 ~~district shall be governed by a five member elected district board pursuant~~
14 ~~to section 48-803, but shall be governed initially by a board appointed by~~
15 ~~the county board of supervisors from among qualified electors of the county.~~
16 ~~On formation of the district, the surrounding city or town shall provide fire~~
17 ~~protection services and emergency medical services to the district. The~~
18 ~~initial appointed board shall schedule an election to be held on the next~~
19 ~~consolidated election date as prescribed by section 16-204. That election~~
20 ~~shall be held as otherwise provided by law. The county island fire district~~
21 ~~board shall also notify the county board of supervisors of the cost of~~
22 ~~providing fire protection services and emergency medical services for each~~
23 ~~household or other structure in the district.~~

24 ~~2. In any legal action challenging the validity of this subsection or~~
25 ~~seeking to oppose or enjoin the creation or formation of a district~~
26 ~~contemplated by this subsection, the following apply:~~

27 ~~(a) The board of supervisors of the county that certified the~~
28 ~~establishment of the district, after consultation with the district board,~~
29 ~~may advance funds necessary for the representation of named parties and~~
30 ~~defense of the action.~~

31 ~~(b) A defendant that is a prevailing party in a legal challenge~~
32 ~~contemplated by this paragraph shall be awarded its costs and reasonable~~
33 ~~attorney fees against any party who challenged the validity of this~~
34 ~~subsection or district formation.~~

35 ~~3. Where district formation is contemplated by this subsection, the~~
36 ~~county in which the district or proposed district is located may enter into~~
37 ~~an intergovernmental agreement pursuant to title 11, chapter 7, article 3,~~
38 ~~with the district or proposed district for any purpose not inconsistent with~~
39 ~~this subsection.~~

40 ~~I.~~ H. For the purposes of this section assessed valuation does not
41 include the assessed valuation of property that is owned by a county, this
42 state or the United States government and in the case of multiple ownership
43 of a single parcel of property, any one property owner constitutes the entire
44 ownership interest.

1 ~~J. For the purposes of this section, "county island fire district"~~
2 ~~means a fire district that is formed or proposed to be formed only in those~~
3 ~~unincorporated areas of a single county that are surrounded by a single city~~
4 ~~or town or that are surrounded by a single city or town in combination with~~
5 ~~other publicly owned or sovereign land, and in which the existing private~~
6 ~~fire service provider has issued a notice to the residents of the county~~
7 ~~island that it plans to discontinue or substantially reduce service.~~

8 Sec. 4. Section 48-803, Arizona Revised Statutes, is amended to read:

9 48-803. District administered by a district board

10 A. In a district ~~which~~ THAT the board of supervisors estimates has a
11 population of fewer than four thousand inhabitants, the district board may
12 consist of three or five members. In a district ~~which~~ THAT the board of
13 supervisors estimates has a population of four thousand or more inhabitants,
14 the district board shall consist of five members, and for a county island
15 fire district formed pursuant to section ~~48-261, subsection H~~ 48-805.01, the
16 board shall consist of five members. The estimate of population by the board
17 of supervisors is conclusive and shall be based on available census
18 information, school attendance statistics, election or voter registration
19 statistics, estimates provided by state agencies or the county assessor, or
20 other information as deemed appropriate by the board of supervisors. If the
21 board of supervisors determines, at any time prior to one hundred twenty days
22 before the next regular scheduled election for members of a district board,
23 that the population of a fire district administered by a district board
24 consisting of three members exceeds four thousand inhabitants, estimated as
25 provided in this section, the board of supervisors shall order an increase in
26 the number of members of the district board. If the board of supervisors
27 determines at any time prior to one hundred eighty days before the next
28 regularly scheduled election for members of a district board that the
29 population of a fire district administered by a district board that consists
30 of five members exceeds fifty thousand inhabitants as prescribed in this
31 section, the board of supervisors shall inform the district board that it may
32 expand to seven members. Any expansion to seven members shall occur by
33 majority vote of the district board. The increase is effective for the
34 election of the additional members at the next regular election of members of
35 the district board.

36 B. If a vacancy occurs on the district board other than from
37 expiration of a term, the remaining board members shall fill the vacancy by
38 appointment of an interim member. If the entire board resigns or for any
39 reason cannot fulfill its duties, the board of supervisors shall appoint an
40 administrator to administer the district with the same duties and obligations
41 of the elected board. If the board of supervisors fails to appoint an
42 administrator within thirty days, a special election shall be held to fill
43 the vacancies on the fire district board.

1 C. Members of the district board shall serve without compensation, but
2 may be reimbursed for actual expenses incurred in performing duties required
3 by law.

4 D. ~~Except for a county island~~ THE BOARD OF A fire district ~~formed~~
5 ~~pursuant to section 48-261, subsection H, the board~~ shall appoint or hire a
6 fire chief.

7 E. The DISTRICT board shall elect from its members a chairman and a
8 clerk.

9 F. Of the members first elected to DISTRICT boards consisting of three
10 members, the two people receiving the first and second highest number of
11 votes shall be elected to four-year terms, and the person receiving the third
12 highest number of votes shall be elected to a two-year term. Of the members
13 first elected to DISTRICT boards consisting of five members, the three people
14 receiving the first, second and third highest number of votes shall be
15 elected to four-year terms, and the two people receiving the fourth and fifth
16 highest number of votes shall be elected to two-year terms. Thereafter, the
17 term of office of each DISTRICT board member shall be four years from the
18 first day of the month next following such member's election. Of the members
19 elected as additional members to a five member DISTRICT board, the person
20 with the highest number of votes is elected to a four-year term and the
21 person with the second highest number of votes is elected to a two-year term.
22 If a district resolves to increase the governing board to seven members
23 pursuant to subsection A, the governing board may appoint two additional
24 members to serve until the next general election. After the general election
25 at which the two additional members are elected, the newly elected member
26 with the highest number of votes serves a four-year term and the other member
27 serves a two-year term. Thereafter, the term of office for these two new
28 members is four years.

29 Sec. 5. Section 48-805, Arizona Revised Statutes, is amended to read:
30 48-805. Fire district; powers and duties

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

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

34 2. Prepare an annual budget containing detailed estimated expenditures
35 for each fiscal year ~~which~~ THAT shall clearly show salaries payable to
36 employees of the district, including the elected or appointed chief. The
37 budget shall be posted in three public places and published in a newspaper of
38 general circulation in the district thirty days prior to a public hearing at
39 a meeting called by the board or elected chief to adopt the budget. Copies
40 of the budget shall also be available to members of the public ~~upon~~ ON
41 written request to the district. Following the public hearing, the district
42 board or elected chief and secretary-treasurer shall adopt a budget.

43 3. Determine the compensation payable to district personnel.

44 4. Require probationary employees in a paid sworn firefighter
45 position, a reserve firefighter position or a volunteer firefighter position

1 to submit a full set of fingerprints to the fire district. The fire district
2 shall submit the fingerprints to the department of public safety for the
3 purpose of obtaining a state and federal criminal records check pursuant to
4 section 41-1750 and Public Law 92-544. The department of public safety may
5 exchange this fingerprint data with the federal bureau of investigation.

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

8 1. Employ any personnel and provide services deemed necessary for fire
9 protection, for preservation of life and for carrying out its other powers
10 and duties, including providing ambulance transportation services when
11 authorized to do so pursuant to title 36, chapter 21.1, article 2, but a
12 member of a district board, **INCLUDING A BOARD OF A FIRE DISTRICT FORMED**
13 **PURSUANT TO SECTION 48-805.01**, shall not be an employee of the district. The
14 merger of two or more fire districts pursuant to section 48-820 or the
15 consolidation with one or more fire districts pursuant to section 48-822
16 shall not expand the boundaries of an existing certificate of necessity
17 unless authorized pursuant to title 36, chapter 21.1, article 2.

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

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

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

26 3. Finance the acquisition of property as provided in this section and
27 costs incurred in connection with the issuance of bonds as provided in
28 section 48-806. Bonds shall not be issued without the consent of a majority
29 of the electors of the district voting at an election held for that purpose.
30 For the purposes of an election held under this ~~paragraph~~ **SUBSECTION**, all
31 persons who are eligible to vote in fire district elections under section
32 48-802 are eligible to vote.

33 4. Enforce the fire code adopted by the district, if any, and assist
34 the state fire marshal in the enforcement of fire protection standards of
35 this state within the fire district including enforcement of a nationally
36 recognized fire code when expressly authorized by the state fire marshal.

37 5. After the approval of the qualified electors of the fire district
38 voting at a regular district election or at a special election called for
39 such purpose by the district board or the elected chief and
40 secretary-treasurer, as appropriate, or at any election held in the county
41 which encompasses the fire district, adopt the _____ fire code, which is
42 a nationally recognized fire code approved by the state fire marshal. The
43 words appearing ~~upon~~ **ON** the ballots shall be "Should _____ fire
44 district adopt the _____ fire code, which is a nationally recognized
45 fire code approved by the state fire marshal--yes", "Should _____

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

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

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

23 ~~8. Contract with a city or town for fire protection services for all~~
24 ~~or part of the city or town area until the city or town elects to provide~~
25 ~~regular fire department services to the area.~~

26 ~~9.~~ 8. Retain a certified public accountant to perform an annual audit
27 of district books.

28 ~~10.~~ 9. Retain private legal counsel.

29 ~~11.~~ 10. Accept gifts, contributions, bequests and grants and comply
30 with any requirements of such gifts, contributions, bequests and grants not
31 inconsistent with this article.

32 ~~12.~~ 11. Appropriate and expend annually such monies as are necessary
33 for the purpose of fire districts belonging to and paying dues in the Arizona
34 fire district association and other professional affiliations or entities.

35 ~~13.~~ 12. Adopt resolutions establishing fee schedules both within and
36 outside of the jurisdictional boundaries of the district for providing fire
37 protection services and services for the preservation of life, including
38 emergency fire and emergency medical services, plan reviews, standby charges,
39 fire cause determination, users' fees, facilities benefit assessments or any
40 other fee schedule that may be required.

41 ~~14.~~ 13. Adopt resolutions for a schedule for financial reimbursement
42 to taxpayers for installation of certain fire protection systems such as
43 sprinklers and monitored alarms. Any resolution to offer reimbursements
44 shall include all of the following:

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

3 (b) The specifications of all qualifying systems.

4 (c) The requirements for claiming reimbursement. The amount of
5 reimbursement offered shall bear a reasonable relationship to the cost
6 savings that accrue to the district as a result of the installation of
7 qualifying systems.

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

14 ~~15.~~ 14. The governing board of a fire district, with the approval of
15 two of the three members of a three member board, four of the five members of
16 a five member board or five of the seven members of a seven member board, may
17 change the district's name and on so doing shall give written notice to the
18 board of supervisors of the change.

19 ~~16.~~ 15. Require all employees to submit a full set of fingerprints as
20 prescribed by subsection A, paragraph 4 of this section.

21 ~~17.~~ 16. Enter into intergovernmental agreements or contracts as
22 follows:

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

27 (b) Enter into a contract with individuals to:

28 (i) Provide technical or administrative services.

29 (ii) Provide fire protection services **OR EMERGENCY MEDICAL SERVICES** to
30 property owned by the individual located outside the district boundaries if
31 the individual's property is not located in a county island as defined in
32 section 11-251.12. ~~and at least one of the following apply:~~

33 ~~(aa) The existing fire service provider where the individual's~~
34 ~~property is located has issued a notice to the individual that the provider~~
35 ~~plans to discontinue service.~~

36 ~~(bb) Fire service is not available to the individual's property.~~

37 ~~(cc) Fire service is offered pursuant to a contract or subscription~~
38 ~~and the individual has not obtained service for a period of twenty-four~~
39 ~~months before the date of the contract with the district.~~

40 ~~(c) Enter into a contract with individuals to provide fire services to~~
41 ~~property owned by the individual located outside the district boundaries,~~
42 ~~where the individual's property is located in a county island as defined in~~
43 ~~section 11-251.12, if both of the following apply:~~

44 ~~(i) The existing fire service provider where the individual's property~~
45 ~~is located has issued a notice to the residents of the county island and the~~

1 ~~individual that the provider plans to discontinue or substantially reduce~~
2 ~~service.~~

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

6 ~~(d)~~ (c) For THE purposes of subdivision (a), ~~OR~~ (b) ~~or (c)~~ of this
7 paragraph, a district may contract with any public or private fire service
8 provider to provide some or all of the contractual services the district is
9 contracting to deliver.

10 ~~(e)~~ (d) Any contract entered into pursuant to ~~subdivisions~~
11 ~~SUBDIVISION~~ (b) ~~and (c)~~ of this paragraph shall include a provision setting
12 forth the cost of service and performance criteria.

13 C. The chairman and clerk of the district board or their respective
14 designees or the elected chief and secretary-treasurer, as applicable, shall
15 draw warrants on the county treasurer for money required to operate the
16 district in accordance with the budget and, as so drawn, the warrants shall
17 be sufficient to authorize the county treasurer to pay from the fire district
18 fund.

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

23 E. ~~For a county island fire district formed pursuant to section~~
24 ~~48-261, subsection H, the following apply:~~

25 ~~1. The district may be formed only in county islands that are located~~
26 ~~in an area that is within the 911 service provider district in which the~~
27 ~~largest city has a population of more than three hundred ninety five thousand~~
28 ~~persons but less than five hundred thousand persons and that is located~~
29 ~~within the municipal planning area of a town with a population of one hundred~~
30 ~~thousand or more persons as designated in the land use map of the~~
31 ~~municipality's general plan. The district may only be formed if the district~~
32 ~~contains all of the county islands that are prescribed in this paragraph and~~
33 ~~after compliance with the petition requirements prescribed by section 48-261,~~
34 ~~subsection H.~~

35 ~~2. The district is authorized only to receive fire protection services~~
36 ~~and emergency medical services from the adjacent city or town government or~~
37 ~~some other provider of fire protection and emergency medical services. A~~
38 ~~county island fire district has no authority to provide fire protection~~
39 ~~services or emergency medical services by any method other than as prescribed~~
40 ~~by this subsection. The city or town shall charge a reasonable rate to the~~
41 ~~county island fire district to recover the costs of the service and excluding~~
42 ~~the costs of any awards made pursuant to section 48-261, subsection H,~~
43 ~~paragraph 2, and~~ The district board may assess and levy a secondary property
44 tax pursuant to this article to pay for the costs of ~~the~~ FIRE PROTECTION

1 ~~SERVICE OR EMERGENCY MEDICAL~~ service. ~~The amount charged by the city or town~~
2 ~~is limited as follows:~~

3 ~~(a) For each residence or commercial building, an amount to buy into~~
4 ~~service from the city or town. The amount chargeable pursuant to this~~
5 ~~paragraph is limited to the portion of any new home impact fee being charged~~
6 ~~by that city or town that is designated for fire protection, and that amount~~
7 ~~shall be deferred and payable over a three year period.~~

8 ~~(b) If additional infrastructure is reasonably necessary to provide~~
9 ~~service to the county island fire district, the city or town may charge a fee~~
10 ~~of up to seventy-five dollars per year for each household or other structure~~
11 ~~for up to five years.~~

12 ~~(c) An operation and maintenance charge that is determined by~~
13 ~~calculating the annual operation and maintenance charge for the city or town~~
14 ~~and dividing that amount by the sum of the number of households and~~
15 ~~commercial buildings located in the city or town and the number of households~~
16 ~~and commercial buildings located in the county island fire district.~~

17 ~~(d) Administrative costs of up to five per cent of the annual~~
18 ~~operating and maintenance costs per year but not more than twenty-five~~
19 ~~dollars per household or commercial building per year.~~

20 ~~3. Within ten business days after the appointment of the board of~~
21 ~~directors for the district, the district shall issue a request for proposals~~
22 ~~for providers of fire protection and emergency medical services for the~~
23 ~~county island fire district. Notwithstanding any other law, the request for~~
24 ~~proposals is deemed a lawful procurement if the district provides for~~
25 ~~expedited public notice of the request for proposals, the due date and the~~
26 ~~terms of the request for proposals. If there are no responsive and qualified~~
27 ~~bidders on the request for proposals or if the service provider withdraws~~
28 ~~from its contract, the fire protection and emergency medical services shall~~
29 ~~be provided by the adjacent city or town. The request for proposals shall~~
30 ~~provide that the service provider shall be paid not more than the monies~~
31 ~~prescribed by this subsection and shall also provide for a maximum of thirty~~
32 ~~days for the receipt of proposals from service providers. The request for~~
33 ~~proposals shall include the following provisions:~~

34 ~~(a) A successful bidder shall post a ten million dollar performance~~
35 ~~bond, which shall be forfeited if the successful bidder does not fully~~
36 ~~perform the contract or terminates the contract with less than one year's~~
37 ~~notice.~~

38 ~~(b) The performance standards for fire protection and emergency~~
39 ~~services shall conform to those of surrounding municipalities.~~

40 ~~(c) Any municipality that bids to provide services is exempt from the~~
41 ~~performance bond prescribed by subdivision (a) of this paragraph.~~

42 ~~(d) Nothing in the request for proposals shall preclude a private fire~~
43 ~~service provider from submitting and being eligible for a bid for the~~
44 ~~proposed services.~~

1 ~~F. Until formation of a county island fire district is certified by~~
2 ~~the county board of supervisors, a city or town fire service provider is not~~
3 ~~liable for any fire protection services for any areas outside of the city's~~
4 ~~or town's jurisdiction and a city or town has no legal obligation to provide~~
5 ~~fire protection services to residents of the county who are not located~~
6 ~~within the boundaries of the city or town.~~

7 ~~G. Notwithstanding any other law, a city or town is liable if the city~~
8 ~~or town is grossly negligent in providing fire or emergency medical services~~
9 ~~to a county island fire district formed pursuant to this section. For~~
10 ~~purposes of title 23, chapter 6, for a city or town that provides fire or~~
11 ~~emergency medical services to a county island fire district pursuant to this~~
12 ~~section, the providers of those services are acting within the scope of their~~
13 ~~duties to the city or town while providing those services to a county island~~
14 ~~fire district and the city or town shall provide workers' compensation~~
15 ~~coverage to those providers.~~

16 ~~H. F. Subsection E of this section does not apply to and~~ A county
17 ~~island~~ fire district ~~cannot be~~ formed PURSUANT to THIS SECTION SHALL NOT
18 include real property owned by a public service corporation that is regulated
19 by the corporation commission or real property owned by a special taxing
20 district organized pursuant to ~~title 48,~~ chapter 17 OF THIS TITLE.

21 ~~I. G.~~ The county attorney may advise and represent the district when
22 in the county attorney's judgment such advice and representation are
23 appropriate and not in conflict with the county attorney's duties under
24 section 11-532. If the county attorney is unable to advise and represent the
25 district due to a conflict of interest, the district may retain private legal
26 counsel or may request the attorney general to represent it, or both.

27 Sec. 6. Title 48, chapter 5, article 1, Arizona Revised Statutes, is
28 amended by adding section 48-805.01, to read:

29 48-805.01. Noncontiguous county island fire district; powers
30 and duties; definition

31 A. ANY RESIDENT OF A PROPOSED NONCONTIGUOUS COUNTY ISLAND FIRE
32 DISTRICT MAY PETITION THE BOARD OF SUPERVISORS FOR A COUNTY WITH AT LEAST ONE
33 MILLION FIVE HUNDRED THOUSAND PERSONS TO FORM A NONCONTIGUOUS COUNTY ISLAND
34 FIRE DISTRICT. THE DISTRICT MAY INCLUDE NONCONTIGUOUS COUNTY ISLANDS FOR
35 WHICH FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES ARE NOT FUNDED BY
36 SECTION 48-807 AS OF JANUARY 1, 2007.

37 B. THE PETITIONER SHALL COMPLY WITH SECTIONS 48-261, 48-265 AND
38 48-266, EXCEPT THAT PETITIONS SHALL HAVE THE SIGNATURES OF MORE THAN ONE-HALF
39 OF THE AGGREGATE NUMBER OF OWNERS OF ALL REAL PROPERTY LOCATED IN EACH OF THE
40 COUNTY ISLANDS IN THE PROPOSED DISTRICT. AFTER A HEARING, THE BOARD OF
41 SUPERVISORS MAY CERTIFY THE ESTABLISHMENT OF THE NONCONTIGUOUS COUNTY ISLAND
42 FIRE DISTRICT. THE DISTRICT SHALL BE GOVERNED BY A FIVE MEMBER ELECTED BOARD
43 PURSUANT TO SECTION 48-803, BUT SHALL BE GOVERNED INITIALLY BY A BOARD
44 APPOINTED BY THE COUNTY BOARD OF SUPERVISORS FROM AMONG QUALIFIED ELECTORS OF
45 THE PROPOSED COUNTY ISLAND FIRE DISTRICT. THE INITIAL APPOINTED BOARD SHALL

1 SCHEDULE AN ELECTION TO BE HELD ON THE NEXT CONSOLIDATED ELECTION DATE AS
2 PRESCRIBED BY SECTION 16-204. THE ELECTION SHALL BE HELD AS OTHERWISE
3 PROVIDED BY LAW.

4 C. THE DISTRICT BOARD SHALL NOTIFY THE COUNTY BOARD OF SUPERVISORS OF
5 THE COST OF PROVIDING FIRE PROTECTION SERVICE AND EMERGENCY MEDICAL SERVICE
6 FOR EACH HOUSEHOLD OR OTHER STRUCTURE IN THE DISTRICT. IF A MUNICIPALITY
7 PROVIDES FIRE AND EMERGENCY MEDICAL SERVICES TO THE FIRE DISTRICT UNDER
8 SUBSECTION D OF THIS SECTION, THE MUNICIPALITY SHALL NOTIFY THE COUNTY BOARD
9 OF SUPERVISORS OF THE COST OF PROVIDING FIRE PROTECTION SERVICE AND EMERGENCY
10 MEDICAL SERVICE FOR EACH HOUSEHOLD OR OTHER STRUCTURE IN THE DISTRICT.
11 BEFORE NOTIFYING THE COUNTY BOARD OF SUPERVISORS OF THE COST OF PROVIDING
12 SERVICE TO THE FIRE DISTRICT, THE MUNICIPALITY MAY DO ANY OF THE FOLLOWING:

13 1. INSPECT THE COUNTY ISLAND PROPERTY, INCLUDING INSPECTIONS FOR
14 HAZARDOUS MATERIALS.

15 2. OBTAIN REPORTS FROM THE UNITED STATES ENVIRONMENTAL PROTECTION
16 AGENCY AND THE ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY.

17 3. OBTAIN REPORTS FROM ANY OTHER INDUSTRY THAT IDENTIFIES ANY
18 HAZARDOUS MATERIALS OR CONDITIONS IN THE FIRE DISTRICT.

19 D. A DISTRICT FORMED UNDER THIS SECTION SHALL BE ADMINISTERED
20 ACCORDING TO SECTION 48-803 AND SHALL HAVE ALL THE AUTHORITY, POWERS AND
21 DUTIES UNDER SECTION 48-805.

22 E. NOTWITHSTANDING ANY OTHER LAW, THE BOARD OF A FIRE DISTRICT FORMED
23 UNDER THIS SECTION MAY APPOINT OR HIRE A FIRE CHIEF.

24 F. A FIRE DISTRICT FORMED UNDER THIS SECTION SHALL ISSUE A REQUEST FOR
25 PROPOSALS FOR PROVIDERS OF FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES.
26 IN AWARDING A CONTRACT UNDER THIS SECTION, THE DISTRICT SHALL DEEM A BID
27 SUBMITTED BY A MUNICIPALITY AS THE BETTER BID THAN A BID SUBMITTED BY A
28 PRIVATE PROVIDER IF BOTH OF THE FOLLOWING APPLY:

29 1. ANY PROPERTY OF THE FIRE DISTRICT IS WITHIN THAT MUNICIPALITY'S
30 GENERAL PLAN.

31 2. THE BID OF THE PRIVATE PROVIDER IS NOT MORE THAN FIVE PER CENT
32 LOWER THAN THE MUNICIPALITY'S BID.

33 G. THIS SECTION DOES NOT PROHIBIT A MUNICIPALITY FROM ENTERING INTO AN
34 INTERGOVERNMENTAL AGREEMENT WITH ANOTHER MUNICIPALITY OR A PRIVATE PROVIDER
35 TO PROVIDE FIRE AND EMERGENCY MEDICAL SERVICES TO A FIRE DISTRICT FORMED
36 UNDER THIS SECTION.

37 H. IF A DISTRICT FORMED UNDER THIS SECTION AGREES TO PROVIDE FIRE AND
38 EMERGENCY MEDICAL SERVICES IN A COUNTY ISLAND WHERE A PRIVATE PROVIDER OF
39 FIRE OR EMERGENCY SERVICES ALREADY HAS FACILITIES OR PROVIDES SERVICE, THE
40 DISTRICT AND THE PRIVATE PROVIDER MAY ENTER INTO AN AGREEMENT COVERING THE
41 ROLES AND RELATIONSHIPS REGARDING MUTUAL AID OR BACKUP AND ANY SERVICES FOR
42 WHICH THE DISTRICT WISHES TO CONTRACT AND ANY REIMBURSEMENT OR BILLING AND
43 COLLECTION PRACTICES. THE AGREEMENT SHALL BE EXECUTED BEFORE THE DISTRICT
44 BEGINS PROVIDING SERVICE IN THE COUNTY ISLAND.

1 I. A CITY OR TOWN THAT PROVIDES FIRE OR EMERGENCY MEDICAL SERVICES
2 PURSUANT TO AN INTERGOVERNMENTAL AGREEMENT WITH A NONCONTIGUOUS COUNTY ISLAND
3 FIRE DISTRICT FORMED UNDER THIS SECTION SHALL PROVIDE THE SERVICE PARTICULAR
4 TO EACH COUNTY ISLAND CONSISTENT WITH THE GEOGRAPHY OF THE COUNTY ISLAND,
5 LOCATION OF FIRE STATIONS, CURRENT INFRASTRUCTURE, WATER ACCESS, STREETS AND
6 BUILDING CODES OF THE COUNTY ISLAND PROPERTY FOR WHICH SERVICE IS PROVIDED.

7 J. IF A CITY OR TOWN CONTRACTS WITH A FIRE DISTRICT FORMED UNDER THIS
8 SECTION, THE CITY OR TOWN IS LIABLE ONLY IF THE CITY OR TOWN IS GROSSLY
9 NEGLIGENT IN PROVIDING FIRE OR EMERGENCY MEDICAL SERVICES TO THE FIRE
10 DISTRICT. THE COUNTY IN WHICH THE FIRE DISTRICT IS LOCATED SHALL DEFEND,
11 INDEMNIFY AND HOLD HARMLESS THE MUNICIPALITY PURSUANT TO SECTION 11-251.12.
12 FOR THE PURPOSES OF TITLE 23, CHAPTER 6, FOR A CITY OR TOWN THAT PROVIDES
13 FIRE OR EMERGENCY MEDICAL SERVICES TO A FIRE DISTRICT FORMED UNDER THIS
14 SECTION, THE PROVIDERS OF THOSE SERVICES ARE ACTING WITHIN THE SCOPE OF THEIR
15 DUTIES TO THE CITY OR TOWN WHILE PROVIDING THOSE SERVICES TO THE FIRE
16 DISTRICT AND THE CITY OR TOWN SHALL PROVIDE WORKERS' COMPENSATION COVERAGE TO
17 THOSE PROVIDERS.

18 K. THE DISTRICT BOARD MAY ASSESS AND LEVY A SECONDARY PROPERTY TAX
19 PURSUANT TO THIS ARTICLE TO PAY FOR THE COSTS OF FIRE PROTECTION SERVICE OR
20 EMERGENCY MEDICAL SERVICE.

21 L. A FIRE DISTRICT FORMED UNDER THIS SECTION SHALL NOT INCLUDE REAL
22 PROPERTY OWNED BY A PUBLIC SERVICE CORPORATION THAT IS REGULATED BY THE
23 CORPORATION COMMISSION OR REAL PROPERTY OWNED BY A SPECIAL TAXING DISTRICT
24 THAT IS ORGANIZED PURSUANT TO CHAPTER 17 OF THIS TITLE.

25 M. THE COUNTY ATTORNEY MAY ADVISE AND REPRESENT THE DISTRICT WHEN IN
26 THE COUNTY ATTORNEY'S JUDGMENT SUCH ADVICE AND REPRESENTATION ARE APPROPRIATE
27 AND NOT IN CONFLICT WITH THE COUNTY ATTORNEY'S DUTIES UNDER SECTION 11-532.
28 IF THE COUNTY ATTORNEY IS UNABLE TO ADVISE AND REPRESENT THE DISTRICT DUE TO
29 A CONFLICT OF INTEREST, THE DISTRICT MAY RETAIN PRIVATE LEGAL COUNSEL OR MAY
30 REQUEST THE ATTORNEY GENERAL TO REPRESENT IT, OR BOTH.

31 N. FOR THE PURPOSES OF THIS SECTION, "FIRE SERVICE" AND "FIRE
32 PROTECTION" INCLUDE FIRE PREVENTION, INSPECTION AND ENFORCEMENT.

33 Sec. 7. Section 48-807, Arizona Revised Statutes, is amended to read:
34 48-807. County fire district assistance tax; annual budget

35 A. The board of supervisors of a county shall levy, at the time of
36 levying other property taxes, a county fire district assistance tax on the
37 taxable property in the county of not ~~to exceed~~ MORE THAN ten cents per one
38 hundred dollars of assessed valuation. The tax levy provided for in this
39 subsection shall be a levy of secondary property taxes and shall not be
40 subject to title 42, chapter 17, article 2. The county treasurer shall pay
41 to each FIRE district in the county from the proceeds of the tax an amount
42 equal to twenty per cent of the property tax levy adopted by the district,
43 INCLUDING A FIRE DISTRICT FORMED PURSUANT TO SECTION 48-805.01, for the
44 fiscal year in which the tax will be levied, except that:

1 1. The amount of assistance from the county to a fire district shall
2 be reduced as follows:

3 (a) By the dollar amount that the fire district receives from the fire
4 district assistance tax that exceeds three hundred thousand dollars from and
5 after June 30 of each fiscal year.

6 (b) Except as provided in paragraph 2, if the total amount to be paid
7 to all districts in the county under this paragraph exceeds the amount to be
8 raised by the levy of ten cents per one hundred dollars assessed valuation,
9 then the county treasurer shall pay an amount less than twenty per cent of
10 the property tax levy of each district. The amount to be paid by the county
11 treasurer to each district shall be determined by multiplying the proceeds of
12 the county fire district assistance tax against the proportion that twenty
13 per cent of the property tax levy of each district bears to the total of
14 twenty per cent of the property tax levies of all fire districts in the
15 county.

16 2. For fiscal years beginning from and after July 1, 1992, the amount
17 of assistance from the county to a fire district shall not be less than the
18 assistance provided from and after June 30, 1991 through June 30, 1992, if,
19 for the fiscal year in which the tax will be levied, the district levies a
20 tax, in addition to any tax levied under section 48-806, of three dollars per
21 one hundred dollars of assessed valuation and the assessed valuation is at
22 least ninety per cent of the assessed valuation for the 1991 tax year. This
23 paragraph does not apply to fire districts subject to paragraph 1,
24 subdivision (a).

25 B. For the purpose of subsection A of this section, the property tax
26 levy of the fire district shall include in lieu contributions pursuant to
27 chapter 1, article 8 of this title but shall not include property tax levies
28 to be applied to the payment of principal and interest on bonds issued
29 pursuant to section 48-806.

30 C. Notwithstanding subsection A of this section, if two or more fire
31 districts merge to form a consolidated district, the last amount received by
32 each fire district from the fire district assistance tax prior to the merger
33 shall be combined and if the combined amount exceeds three hundred thousand
34 dollars, the consolidated district may continue to receive that amount from
35 the fire district assistance tax.

36 D. If two or more fire districts merge to form a consolidated district
37 and the total of the amounts received by each fire district from the fire
38 district assistance tax is less than three hundred thousand dollars, the
39 consolidated district may continue to receive monies until its receipts total
40 three hundred thousand dollars, as prescribed in subsection A of this
41 section.

42 E. Not more than ten days after the perfection of the organization of
43 a fire district, and thereafter not later than August 1 of each year, the
44 chief and the secretary-treasurer of the district, or if there is a district
45 board, the chairman of the board, shall submit to the board of supervisors an

1 estimate, certified by items, of the amount of money required for the
 2 equipment and maintenance of the district for the ensuing year.

3 F. The board, based on the budget submitted by the district, shall
 4 levy, in addition to any tax levied as provided in section 48-806, a tax not
 5 to exceed three dollars twenty-five cents per one hundred dollars of assessed
 6 valuation against all property situated within the district boundaries and
 7 appearing ~~upon~~ ON the last assessment roll. The levy shall be made and the
 8 taxes collected in the manner, at the time and by the officers provided by
 9 law for the collection of general county taxes.

10 G. The county treasurer shall keep the money received from ~~such~~ taxes
 11 ASSESSED PURSUANT TO SUBSECTION F OF THIS SECTION in a separate fund known as
 12 the "fire district fund" of the ~~town or settlement~~ DISTRICT for which
 13 collected. Any surplus remaining in the fund at the end of the fiscal year
 14 shall be credited to the fire district fund of the ~~town or settlement~~
 15 DISTRICT for which collected for the succeeding fiscal year.

16 H. When a fire district has adopted a budget and the board of
 17 supervisors has levied a fire district tax as provided in subsection F of
 18 this section and the district has insufficient money in its fund with the
 19 county treasurer to operate the district, the elected chief and the
 20 secretary-treasurer, or if there is a district board, the chairman of the
 21 board, on or after August 1 of each year, may draw warrants for the purposes
 22 prescribed in section 48-805 on the county treasurer, payable on November 1
 23 of that year or on April 1 of the succeeding year. The aggregate amounts of
 24 the warrants may not exceed ninety per cent of the taxes levied by the county
 25 for the district's current fiscal year. If the treasurer cannot pay a
 26 warrant for lack of funds in the fire district fund, the warrant shall be
 27 endorsed, be registered, bear interest and be redeemed as provided by law for
 28 county warrants, except that the warrants are payable only from the fire
 29 district fund.

30 Sec. 8. Section 48-820, Arizona Revised Statutes, is amended to read:
 31 48-820. Election to merge fire districts; notice; hearing;
 32 approval; joint meeting; merged district board

33 A. Except as provided in subsection I OF THIS SECTION, the board of
 34 supervisors shall make an order calling for an election to decide whether to
 35 merge fire districts when a resolution for merger from each district is
 36 submitted to the board. The board of supervisors shall not make an order
 37 calling for an election to merge fire districts more frequently than once
 38 every two years. Whether or not the districts are merged, the fire districts
 39 shall reimburse the counties for the expenses of the election, including the
 40 cost of mailing any notices required pursuant to this section. If the
 41 proposed district is located in more than one county, the resolutions shall
 42 be submitted to the board of supervisors of the county in which the majority
 43 of the assessed valuation of the proposed district is located. The words
 44 appearing on the ballot shall be "(insert fire districts' names) merge as a

1 fire district--yes" and "(insert fire districts' names) merge as fire
2 district--no."

3 B. Within fourteen days after the election, the board of supervisors
4 shall meet and canvass the returns, and if it is determined that a majority
5 of the votes cast at the election in each of the affected districts is in
6 favor of merging the fire districts, the board shall enter that fact on its
7 minutes.

8 C. EXCEPT AS PRESCRIBED IN SUBSECTION D OF THIS SECTION, two or more
9 fire districts may merge if the governing body of each affected fire
10 district, by a majority vote of the members of each governing body, adopts a
11 resolution declaring that a merger be considered and a public hearing be held
12 to determine if a merger would be in the best interests of the district and
13 would promote public health, comfort, convenience, necessity or welfare.
14 After each district adopts such a resolution, the governing body by first
15 class mail shall send written notice of the resolution, its purpose and
16 notice of the day, hour and place of a hearing on the proposed merger to each
17 owner of taxable property within the boundaries of the district. The notice
18 shall contain the name and description of the boundaries of each district
19 proposed to be merged and a detailed, accurate map of the area to be included
20 in the merger. No new territory may be included as a result of the merger.

21 D. A NONCONTIGUOUS COUNTY ISLAND FIRE DISTRICT FORMED PURSUANT TO
22 SECTION 48-805.01 SHALL NOT MERGE WITH A FIRE DISTRICT FORMED PURSUANT TO
23 SECTION 48-261.

24 ~~D~~ E. The clerk of the governing body shall post notice in at least
25 three conspicuous public places in the district and shall also publish notice
26 twice in a daily newspaper of general circulation in the county in which the
27 district is located, at least ten days before the public hearing. The clerk
28 of each governing body affected by the proposed merger shall also mail notice
29 and a copy of the resolution in support of the merger to the chairman of the
30 board of supervisors of the county or counties in which the affected
31 districts are located. The chairman of the board of supervisors shall order
32 a review of the proposed merger and shall submit written comments to the
33 governing body of each fire district located in that county within ten days
34 after receipt of the notice.

35 ~~E~~ F. At the hearing, the governing body of the district shall
36 consider the comments of the board of supervisors, hear those persons who
37 appear for or against the proposed merger and determine whether the proposed
38 merger will promote public health, comfort, convenience, necessity or
39 welfare. If, after the public hearing each of the governing bodies of the
40 districts affected by the proposed merger adopt a resolution by a three-
41 fourths vote that the merger will promote public health, comfort,
42 convenience, necessity or welfare, each of the governing bodies of the
43 districts affected by the proposed merger shall submit the resolutions to the
44 board of supervisors.

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

8 ~~G.~~ H. If the proposal for merger is approved as provided by
 9 subsection B OF THIS SECTION, the governing body of the affected district
 10 with the largest population within thirty days shall call a joint meeting of
 11 the governing bodies of all of the affected districts. At the joint meeting,
 12 a majority of the members of the governing body of each affected district
 13 constitutes a quorum for the purpose of transacting business. The members of
 14 the governing body shall appoint a total of five persons from those currently
 15 serving on the governing bodies who shall complete their regular terms of
 16 office, except that no more than three of the persons appointed may serve
 17 terms that end in the same year. No more than three members shall be
 18 appointed from the same fire district board. Subsequent terms of office for
 19 district board members shall be filled by election of board members who shall
 20 be qualified electors of the merged district.

21 ~~H.~~ I. The appointed governing body shall immediately meet and
 22 organize itself and elect from its members a chairman and a clerk. The
 23 appointed board by resolution shall declare the districts merged and each
 24 affected district joined. The governing board by resolution shall declare
 25 the name of the newly merged fire district. The resolution and the names of
 26 the new board members for the newly organized district shall be sent to the
 27 board of supervisors, and the merger shall be deemed completed thirty days
 28 after the adoption of the resolution.

29 ~~I.~~ J. If the requirements of subsection ~~F.~~ G OF THIS SECTION are met
 30 and each of the governing body votes required by subsections C and ~~E.~~ F OF
 31 THIS SECTION are unanimous, then subsections A and B OF THIS SECTION shall
 32 not apply.

33 Sec. 9. Section 48-822, Arizona Revised Statutes, is amended to read:

34 ~~48-822.~~ 48-822. Election to consolidate fire districts; resolution;
 35 impact statement; hearing

36 A. Except as provided in subsection ~~D.~~ E of this section, the board of
 37 supervisors shall make an order calling for an election to decide whether to
 38 consolidate fire districts when a resolution for consolidation of fire
 39 districts from the requesting district is submitted to the board. The board
 40 of supervisors shall not make an order calling for an election to consolidate
 41 fire districts more frequently than once every two years. Whether or not the
 42 districts are consolidated, the fire districts shall reimburse the counties
 43 for the expenses of the election, including the cost of mailing any notices.
 44 If the proposed district is located in more than one county, the resolutions
 45 shall be submitted to the board of supervisors of the county in which the

1 majority of the assessed valuation of the proposed district is located. The
2 words appearing on the ballot shall be "(insert fire districts' names)
3 consolidate as a fire district--yes" and "(insert fire districts' names)
4 consolidate as fire district--no."

5 B. Within fourteen days after the election, the board of supervisors
6 shall meet and canvass the returns, and if it is determined that a majority
7 of the votes cast at the election in each of the affected districts is in
8 favor of consolidating the fire districts, the board shall enter that fact on
9 its minutes.

10 C. EXCEPT AS PROSCRIBED BY SUBSECTION D OF THIS SECTION, a fire
11 district may consolidate with one or more other fire districts formed
12 pursuant to section 48-261 as follows:

13 1. A resolution requesting the consolidation of one fire district is
14 passed by a majority vote of the governing body requesting consolidation into
15 another fire district. The requesting district shall send by first class
16 mail the notice of request to consolidate districts to the fire district in
17 which the consolidation is requested.

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

22 (a) A legal description of the boundaries of the proposed consolidated
23 district and a detailed, accurate map of the area to be included in the
24 consolidated district. No new territory may be included as a result of a
25 district consolidation.

26 (b) An estimate of the assessed valuation in the proposed consolidated
27 district.

28 (c) An estimate of the change in the property tax liability of a
29 typical resident of the proposed consolidated district as a result of the
30 proposed consolidated district.

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

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

35 3. On completion of the consolidation impact statement, the governing
36 body of each fire district shall set a day for a hearing on the impact
37 statement that is not fewer than sixty nor more than ninety days after the
38 date of the completion and approval of the consolidation impact statement.
39 The district governing bodies at any time before making a determination
40 pursuant to paragraph ~~4~~ 5 of this subsection may require that the impact
41 statement be amended to include any information that the board deems to be
42 relevant and necessary.

43 4. On setting the date for hearing on the consolidated district impact
44 statement, the clerk of each governing body shall send by first class mail
45 written notice of the statement, its purpose and notice of the day, hour and

1 place of the hearing on the proposed consolidated district to each owner of
2 taxable property within the boundaries of the respective fire districts. At
3 least ten days before the hearing, the clerk of each governing body shall
4 post the notice in at least three conspicuous public places in the respective
5 districts and shall publish notice twice in a daily newspaper of general
6 circulation in the area of the proposed consolidated district.

7 5. At the hearing called pursuant to paragraph 3 of this subsection,
8 the governing body shall hear those persons who appear for and against the
9 proposed consolidated district and shall determine whether the creation of
10 the district will promote public health, comfort, convenience, necessity or
11 welfare. If the governing body of each district determines 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 that the public
28 health, comfort, convenience, necessity or welfare will be promoted, it shall
29 by resolution declare the districts consolidated and each affected district
30 joined.

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

33 10. Those persons currently serving as the governing body of the
34 district into which consolidation was requested shall serve as the governing
35 body of the newly consolidated district and complete their regular terms of
36 office. The newly consolidated district governing body shall consist of at
37 least five members.

38 11. If the consolidation results in a new district population that is
39 greater than fifty thousand persons, the new governing board may appoint an
40 additional two members to serve until the next general election at which time
41 the newly elected member with the highest number of votes serves a four year
42 term and the other member serves a two year term. Thereafter, the term of
43 office for these two new members is four years.

44 12. The governing body by resolution shall declare the name of the
45 newly consolidated fire district.

1 13. If a newly consolidated fire district has a combined population
2 that exceeds fifty thousand persons, the governing body of the newly
3 consolidated fire district by resolution may declare the name of the newly
4 consolidated fire district to include within the name the title of fire
5 authority.

6 14. If a proposed consolidated district would include property located
7 in an incorporated city or town, in addition to the other requirements of
8 this section, the governing body of the district shall approve the creation
9 of the consolidated district only if the governing body of the city or town
10 endorses the creation by ordinance or resolution.

11 15. Before considering any resolution of consolidation pursuant to this
12 section, a governing body shall obtain written consent to the consolidation
13 from any single taxpayer residing within each of the affected districts who
14 owns thirty per cent or more of the net assessed valuation of the total net
15 assessed valuation of the district.

16 D. A NONCONTIGUOUS COUNTY ISLAND FIRE DISTRICT FORMED PURSUANT TO
17 SECTION 48-805.01 SHALL NOT CONSOLIDATE WITH A FIRE DISTRICT FORMED PURSUANT
18 TO SECTION 48-261.

19 ~~D.~~ E. If the requirements of subsection C, paragraph 15 of this
20 section are met and each of the governing body votes required by this section
21 are unanimous, ~~then~~ subsections A and B of this section shall not apply.

22 Sec. 10. City or town annexation of noncontiguous county island
23 fire district property; conditions; petition; notice

24 A. Within five years after the formation of a noncontiguous county
25 island fire district pursuant to section 48-805.01, Arizona Revised Statutes,
26 as added by this act:

27 1. A city or town may annex a county island that is within a
28 noncontiguous county island fire district without complying with title 9,
29 chapter 4, Arizona Revised Statutes, if both of the following apply:

30 (a) The property is located within lands covered by the city or town's
31 general plan on January 1, 2007.

32 (b) The city or town sends written notice of the proposed annexation
33 to the property owners of the lands proposed to be annexed.

34 2. Lands proposed to be annexed pursuant to paragraph 1 of this
35 subsection shall be annexed into the municipality unless both of the
36 following apply:

37 (a) Fifty-one per cent or more of the number of owners of parcels of
38 property in the proposed annexation request to be excluded from the
39 annexation.

40 (b) The property owners request in writing to be excluded and those
41 requests are submitted to the city or town within sixty days after the city
42 or town provided written notice of the proposed annexation.

43 B. For any city or town that does not annex a county island as
44 prescribed in subsection A of this section and within five years after the
45 formation of a noncontiguous county island fire district pursuant to section

1 48-805.01, Arizona Revised Statutes, as added by this act, a property owner
2 in the fire district may file a written petition with the city or town whose
3 general plan includes the property owner requesting the city or town to annex
4 the property into the city or town without complying with title 9, chapter 4,
5 Arizona Revised Statutes, if both of the following apply:
6 1. The property is within the city or town's general plan on January
7 1, 2007.
8 2. The property is located within the fire district formed pursuant to
9 section 48-805.01, Arizona Revised Statutes, as added by this act.
10 C. Within thirty days after determining whether the city or town will
11 annex the property pursuant to subsection B of this section, the city or town
12 shall provide notice of its annexation decision to the property owner.