

State of Arizona  
House of Representatives  
Fiftieth Legislature  
Second Regular Session  
2012

# HOUSE BILL 2460

AN ACT

AMENDING SECTION 48-262, ARIZONA REVISED STATUTES; RELATING TO SPECIAL TAXING DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Section 48-262, 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. On receipt of the boundary change impact statement, the clerk of  
42 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, at least twice at any time before the date of the  
6 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. On receipt of the boundary change impact statement the clerk shall  
10 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 prescribed in this subsection, the governing body of the fire  
35 district or sanitary district may approve the boundary change only if the  
36 governing body of the affected city or town by ordinance or resolution has  
37 approved the inclusion of the property in the district. ~~A request made~~  
38 ~~pursuant to this subsection shall be made before the county board of~~  
39 ~~supervisors orders the creation of a proposed new district of the same type~~  
40 ~~or the district governing body orders the annexation by a district of the~~  
41 ~~same type in which the property owner's land is proposed for inclusion and~~  
42 ~~for which petitions are being circulated.~~ If the governing body determines  
43 that the inclusion of that property will benefit the district and the  
44 property owner, the boundary change may be made by order of the governing  
45 body and is final on the recording of the governing body's order that

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

8 ~~J.~~ UNTIL AUGUST 1, 2014, IN A COUNTY WITH A POPULATION GREATER THAN  
9 TWO MILLION PERSONS, NOTWITHSTANDING SUBSECTION I OF THIS SECTION, ANY  
10 PROPERTY OWNER, INCLUDING THE UNITED STATES, THIS STATE OR A COUNTY, WHOSE  
11 LAND IS WITHIN TWO THOUSAND SIX HUNDRED FORTY FEET OF AN ADJACENT SANITARY  
12 DISTRICT OR FIRE DISTRICT, NOT CONTIGUOUS TO THE BOUNDARIES OF THE SANITARY  
13 DISTRICT OR FIRE DISTRICT AND WITHIN AN UNINCORPORATED AREA OR COUNTY ISLAND  
14 MAY REQUEST IN WRITING THAT THE GOVERNING BODY OF THE DISTRICT AMEND THE  
15 DISTRICT BOUNDARIES TO INCLUDE THAT PROPERTY OWNER'S LAND.

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

19 ~~K.~~ L. A fire district, community park maintenance district or  
20 sanitary district may appropriate and spend monies as necessary or reasonably  
21 required to assist one or more individuals or entities to change the  
22 district's boundaries pursuant to this section.

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

40 ~~M.~~ N. 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.