

REFERENCE TITLE: special taxing districts

State of Arizona
House of Representatives
Fifty-first Legislature
First Regular Session
2013

HB 2647

Introduced by
Representative Ugenti

AN ACT

AMENDING SECTIONS 48-261, 48-262, 48-266, 48-851 AND 48-853, ARIZONA REVISED STATUTES; RELATING TO SPECIAL TAXING DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 48-261, Arizona Revised Statutes, is amended to
3 read:
4 48-261. District creation: procedures: notice: hearing:
5 determinations: petitions
6 A. A fire district, community park maintenance district, sanitary
7 district or hospital district for either a hospital or an urgent care center
8 shall be created by the following procedures:
9 1. Any adult person desiring to propose creation of a district shall
10 provide a legal description of the area proposed for inclusion in the
11 district to the county assessor of the county in which the district is to be
12 located. The county assessor shall provide to the person proposing formation
13 of the district a detailed list of all ~~taxed~~ TAXABLE properties in the area
14 proposed for inclusion in the district. The person proposing formation of
15 the district shall prepare and submit a district impact statement to the
16 board of supervisors of the county in which the district is to be located.
17 Except for a proposed community park maintenance district that is to be
18 located in more than one county, if a proposed district is located in more
19 than one county, the impact statement shall be submitted to the board of
20 supervisors of the county in which the majority of the assessed valuation of
21 the proposed district is located. The boards of supervisors of any other
22 counties in which a portion of the district is to be located shall provide
23 information and assistance to the responsible board of supervisors. For a
24 community park maintenance district that is to be located in more than one
25 county, the impact statement shall be submitted to the board of supervisors
26 for each of the affected counties. If the person desiring to create a
27 district pursuant to this section is unable to complete the district impact
28 statement, the board of supervisors may assist in the completion of the
29 impact statement if requested to do so, provided the bond required in
30 subsection C of this section is in an amount sufficient to cover any
31 additional cost to the county. The district impact statement shall contain
32 at least the following information:
33 (a) A legal description of the boundaries of the proposed district and
34 a map and a general description of the area to be included in the district
35 sufficiently detailed to permit a property owner to determine whether a
36 particular property is within the proposed district.
37 (b) The detailed list of taxed properties provided by the assessor
38 pursuant to this paragraph.
39 (c) An estimate of the assessed valuation within the proposed
40 district.
41 (d) An estimate of the change in the property tax liability, as a
42 result of the proposed district, of a typical resident of the proposed
43 district.
44 (e) A list and explanation of benefits that will result from the
45 proposed district.

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

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

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

9 2. On receipt of the district impact statement, the board of
10 supervisors shall set a day, ~~not fewer than~~ AT LEAST thirty ~~nor~~ BUT NOT more
11 than sixty days from that date, for a hearing on the impact statement. The
12 board of supervisors, at any time before making a determination pursuant to
13 paragraph 4 of this subsection, may require that the impact statement be
14 amended to include any information that the board of supervisors deems to be
15 relevant and necessary.

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

30 4. At the hearing called pursuant to paragraph 2 of this subsection,
31 the board of supervisors shall hear those who appear for and against the
32 proposed district and shall determine whether the creation of the district
33 will promote public health, comfort, convenience, necessity or welfare. If
34 the board of supervisors determines that the public health, comfort,
35 convenience, necessity or welfare will be promoted, it shall approve the
36 district impact statement and authorize the persons proposing the district to
37 circulate petitions as provided in this subsection. For a community park
38 maintenance district that is required to obtain the approval of more than one
39 county's board of supervisors, the petitions may only be circulated after
40 approval of the board of supervisors from each affected county. The order of
41 the board of supervisors shall be final, but if the request to circulate
42 petitions is denied, a subsequent request for a similar district may be
43 refiled with the board of supervisors after six months from the date of ~~such~~
44 THE denial. The county board of supervisors shall authorize the circulation
45 of petitions of only one proposed new district of the same type in which any

1 property owner's land is proposed for inclusion. ~~No~~ A new petition
2 circulation shall NOT be authorized until the one-year period to submit
3 signatures prescribed by ~~section 48-261, subsection A,~~ paragraph 6, ~~OF THIS~~
4 ~~SUBSECTION~~ of the original petition circulation has expired or has otherwise
5 been extinguished.

6 5. Within fifteen days after receiving the approval of the board of
7 supervisors as prescribed by paragraph 4 of this subsection, the clerk of the
8 board shall determine the minimum number of signatures and assessed valuation
9 required for compliance with paragraph 7 of this subsection. After making
10 that determination, the number of signatures shall remain fixed and the
11 assessed valuation of the taxed properties within the boundaries of the
12 proposed district shall remain fixed for purposes of determining compliance
13 with the property valuation requirement prescribed in paragraph 7 of this
14 subsection.

15 6. After receiving the approval of the board of supervisors as
16 provided in paragraph 4 of this subsection, any adult person may circulate
17 and present petitions to the board of supervisors of the county in which the
18 district is located. All petitions circulated shall be returned to the board
19 of supervisors within one year from the date of the approval of the board of
20 supervisors pursuant to paragraph 4 of this subsection. Any petition that is
21 returned more than one year from that date is void.

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

25 (a) At all times, contain a map and general description of the
26 boundaries of the proposed district sufficiently detailed to permit a
27 property owner to determine whether a particular property is within the
28 proposed district and the names, addresses and occupations of the proposed
29 members of the district's organizing board of directors. ~~No~~ AN alteration of
30 the proposed district shall NOT be made after receiving the approval of the
31 board of supervisors as provided in paragraph 4 of this subsection. The
32 items required to be contained with the petition under this ~~subsection~~
33 ~~SUBDIVISION~~ shall be printed on the back of the petition form required
34 pursuant to section 48-266 unless the size of the items ~~preclude~~ PRECLUDES
35 COMPLIANCE WITH this requirement. An error in the legal description of the
36 proposed district shall not invalidate the petitions if considered as a whole
37 the information provided is sufficient to identify the property as
38 illustrated in the map required pursuant to ~~subsection A of this section~~ THIS
39 ~~SUBDIVISION~~.

40 (b) Be signed by owners of more than one-half of the ~~taxed~~ TAXABLE
41 property units in the area of the proposed district and be signed by persons
42 owning collectively more than one-half of the assessed valuation of the
43 property in the area of the proposed district. Property exempt pursuant to
44 title 42, chapter 11, article 3 shall not be considered in determining the

1 total assessed valuation of the proposed district nor shall owners of
2 property not subject to taxation be eligible to sign petitions.

3 8. On receipt of the petitions, **INCLUDING ANY SUPPLEMENTAL SIGNATURES,**
4 **AND THE REPORT OF THE COUNTY ASSESSOR,** the board of supervisors shall set a
5 day, ~~not fewer than ten nor more than thirty days from that date,~~ for a
6 hearing on the petition. ~~The hearing shall be postponed if a timely request~~
7 ~~to supplement petition signatures is made pursuant to section 48-266,~~
8 ~~subsection K, so that any supplemental petition signatures submitted pursuant~~
9 ~~to that section may be considered by the board of supervisors. The postponed~~
10 ~~hearing shall be held no more than thirty days after the submission of any~~
11 ~~supplemental petition signatures.~~

12 9. Before the hearing called pursuant to paragraph 8 of this
13 subsection, the board of supervisors shall determine the validity of the
14 petitions presented.

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

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

31 1. Property held in multiple ownership shall be treated as if it had
32 only one property owner, ~~so that~~ **AND** the signature of only one of the owners
33 of property held in multiple ownership is required on the formation petition.
34 The number of persons owning property inside the boundaries of the proposed
35 district shall be determined as follows:

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

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

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

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

1 2. The value of property shall be determined as follows:
2 (a) In the case of property assessed by the county assessor, values
3 shall be the same as those shown on the last assessment roll of the county
4 containing ~~such~~ THE 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 3. Petition signatures REPRESENTING REAL PROPERTY on which taxes and
14 assessments are not current at the time of petition review ~~shall be~~
15 ~~invalidated~~ ARE INVALID.
16 C. The board of supervisors may require of the person desiring to
17 propose creation of a district pursuant to subsection A, paragraph 1 of this
18 section a reasonable bond to be filed with the board at the start of
19 proceedings under this section. The bond shall be in an amount sufficient to
20 cover costs incurred by the county if the district is not finally organized.
21 County costs covered by the bond include any expense incurred from completion
22 of the district impact statement, mailing of the notice of hearing to
23 district property owners, publication of the notice of hearing and other
24 expenses reasonably incurred as a result of any requirements of this section.
25 D. If a district is created pursuant to this section, the cost of
26 publication of the notice of hearing, the mailing of notices to property
27 owners and all other costs incurred by the county as a result of this section
28 shall be a charge against the district.
29 E. If a proposed district would include property located within an
30 incorporated city or town, in addition to the other requirements of
31 subsection A of this section, the board shall approve the creation and
32 authorize the circulation of petitions only if the governing body of the city
33 or town has by ordinance or resolution endorsed ~~such~~ THE creation.
34 F. Except as provided in section 48-851 and section 48-2001,
35 subsection A, the area of a district created pursuant to this section shall
36 be contiguous.
37 G. A district organized pursuant to this section shall have an
38 organizing board of directors to administer the affairs of the district until
39 a duly constituted board of directors is elected as provided in this title.
40 The organizing board shall have all the powers, duties and responsibilities
41 of an elected board. The organizing board shall consist of the three
42 individuals named in the district impact statement and the petitions
43 presented pursuant to subsection A of this section. If a vacancy occurs on
44 the organizing board, the remaining board members shall fill the vacancy by
45 appointing an interim member. Members of the organizing board shall serve

1 without compensation but may be reimbursed for actual expenses incurred in
2 performing their duties. The organizing board shall elect from its members a
3 chairman and a clerk.

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

6 Sec. 2. Section 48-262, Arizona Revised Statutes, is amended to read:
7 48-262. District boundary changes; procedures; notice; hearing;
8 determinations; petitions

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

12 1. Any adult person desiring to propose any change to the boundaries
13 of a district shall provide a legal description of the area proposed for
14 inclusion in the district to the county assessor of the county in which the
15 district is to be located. The county assessor shall provide to the person
16 proposing any change to the boundaries of the district a detailed list of all
17 ~~taxed~~ TAXABLE properties in the area proposed for inclusion in the district.
18 The person proposing any change to the boundaries of the district shall
19 prepare and submit a boundary change impact statement to the governing body
20 of the district. The boundary change impact statement shall contain at least
21 the following information:

22 (a) A legal description of the boundaries of the area to be included
23 within the proposed change and a map and general description of the area
24 sufficiently detailed to permit a property owner to determine whether a
25 particular property is within the proposed district. The boundaries of the
26 proposed change shall not overlap with the boundaries of any other proposed
27 new district of the same type or any annexation by a district of the same
28 type for which petitions are being circulated on the date that the boundary
29 change impact statement is filed with the governing body.

30 (b) The detailed list of ~~taxed~~ TAXABLE properties provided by the
31 assessor pursuant to this paragraph.

32 (c) An estimate of the assessed valuation within the boundaries of the
33 proposed change.

34 (d) An estimate of the change in the tax rate of the district if the
35 proposed change is made.

36 (e) An estimate of the change in the property tax liability, as a
37 result of the proposed change, of a typical resident of a portion of the
38 district, not in the area of the proposed change, before and after the
39 proposed change and of a typical resident of the area of the proposed change.

40 (f) A list and explanation of benefits that will result from the
41 proposed change to the residents of the area and of the remainder of the
42 district.

43 (g) A list and explanation of the injuries that may result from the
44 proposed change to residents of the area and of the remainder of the
45 district.

1 2. On receipt of the boundary change impact statement, the governing
2 body shall set a day, ~~not fewer than~~ AT LEAST twenty ~~nor~~ BUT NOT more than
3 thirty days from that date, for a hearing on the boundary change impact
4 statement. The board of supervisors may at any time prior to making a
5 determination pursuant to paragraph 5 of this subsection require that the
6 impact statement be amended to include any information that the board of
7 supervisors deems to be relevant and necessary.

8 3. On receipt of the boundary change impact statement, the clerk of
9 the governing body shall mail, by first class mail, written notice of the
10 statement, its purpose and notice of the day, hour and place of the hearing
11 on the proposed change to each owner of taxable property within the
12 boundaries of the proposed change. The clerk of the governing body shall
13 post the notice in at least three conspicuous public places in the area of
14 the proposed change and also publish twice in a daily newspaper of general
15 circulation in the area of the proposed change, at least ten days before the
16 hearing, or if no daily newspaper of general circulation exists in the area
17 of the proposed change, at least twice at any time before the date of the
18 hearing, a notice setting forth the purpose of the impact statement, the
19 description of the boundaries of the proposed change and the day, hour and
20 place of the hearing.

21 4. On receipt of the boundary change impact statement the clerk shall
22 also mail notice, as provided in paragraph 3 of this subsection, to the
23 chairman of the board of supervisors of the county in which the district is
24 located. The chairman of the board of supervisors shall order a review of
25 the proposed change and may submit written comments to the governing body of
26 the district within ten days of receipt of the notice.

27 5. At the hearing called pursuant to paragraph 2 of this subsection,
28 the governing body shall consider the comments of the board of supervisors,
29 hear those who appear for and against the proposed change and determine
30 whether the proposed change will promote the public health, comfort,
31 convenience, necessity or welfare. If the governing body determines that the
32 public health, comfort, convenience, necessity or welfare will be promoted,
33 it shall approve the impact statement and authorize the persons proposing the
34 change to circulate petitions as provided in this subsection. The order of
35 the governing body shall be final, but if the request to circulate petitions
36 is denied, a subsequent request for a similar change may be refiled with the
37 governing body after six months from the date of ~~such~~ THE denial. The county
38 board of supervisors shall authorize the circulation of petitions for only
39 one boundary change of a district of the same type in which any property
40 owner's land is proposed for inclusion. No new petition circulation shall be
41 authorized until the one-year period to submit signatures set by
42 subsection B, paragraph 3 of this section of the original petition
43 circulation has expired or has otherwise been extinguished.

44 6. ~~Except as provided by section 48-851,~~ The governing body shall not
45 approve a proposed annexation if the property to be annexed is not contiguous

1 with the district's existing boundary. For purposes of determining whether
2 or not the proposed addition is contiguous, the addition is deemed contiguous
3 if land that is owned by or under the jurisdiction of the United States
4 government, this state or any political subdivision of this state, other than
5 an incorporated city or town, intervenes between the proposed addition and
6 the current district boundary.

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

10 8. After receiving the approval of the governing body as provided in
11 paragraph 5 of this subsection and ~~provided~~ IF no appeal filed pursuant to
12 paragraph 14 of this subsection remains unresolved, any adult person may
13 circulate and present petitions to the governing body of the district.

14 9. Within fifteen days after receiving the approval of the governing
15 body as prescribed by paragraph 5 of this subsection, the clerk of the board
16 shall determine the minimum number of signatures and the assessed valuation
17 required to comply with paragraph 10, subdivision (b) of this subsection.
18 After making that determination, the number of signatures shall remain fixed
19 and the assessed valuation of the ~~taxed~~ TAXABLE properties within the
20 boundaries of the proposed change shall remain fixed for purposes of
21 determining compliance, notwithstanding any subsequent changes in ownership
22 of the property within the boundaries of the proposed change.

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

26 (a) At all times, contain a map and general description of the
27 boundaries of the area to be included within the proposed change sufficiently
28 detailed to permit a property owner to determine whether a particular
29 property is included within the proposed change. No alteration of the
30 described area shall be made after receiving the approval of the governing
31 body as provided in paragraph 5 of this subsection. The items required to be
32 contained with the petition under this ~~subsection~~ SUBDIVISION shall be
33 printed on the back of the petition form required pursuant to section 48-266
34 unless the size of the items ~~preclude~~ PRECLUDES COMPLIANCE WITH this
35 requirement. An error in the legal description of the proposed change shall
36 not invalidate the petitions if considered as a whole the information
37 provided is sufficient to identify the property as illustrated in the map
38 required pursuant to ~~subsection A of~~ this ~~section~~ SUBDIVISION.

39 (b) Be signed by owners of more than one-half of the ~~taxed~~ TAXABLE
40 property units within the boundaries of the proposed change and be signed by
41 persons owning collectively more than one-half of the assessed valuation of
42 the property within the boundaries of the proposed change. Property exempt
43 pursuant to title 42, chapter 11, article 3 shall not be considered in
44 determining the total assessed valuation of the proposed change nor shall
45 owners of property not subject to taxation be eligible to sign petitions.

1 11. On receipt of the petitions, INCLUDING ANY SUPPLEMENTAL SIGNATURES
2 AND THE REPORT OF THE COUNTY ASSESSOR, the governing body shall set a day,
3 ~~not fewer than AT LEAST ten nor BUT NOT~~ more than thirty days from that date,
4 for a hearing on the request. ~~The hearing shall be postponed if a timely~~
5 ~~request to supplement petition signatures is made pursuant to section 48-266,~~
6 ~~subsection K, so that any supplemental petition signatures submitted pursuant~~
7 ~~to that section may be considered by the board of supervisors. The postponed~~
8 ~~hearing shall be held no more than thirty days after the submission of any~~
9 ~~supplemental petition signatures.~~

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

13 13. At the hearing called pursuant to paragraph 11 of this subsection,
14 the governing body, if the petitions are valid, shall order the change to the
15 boundaries. The governing body shall enter its order setting forth its
16 determination in the minutes of the meeting, ~~not later than~~ AT LEAST ten days
17 from the day of the hearing, and a copy of the order shall be sent to the
18 officer in charge of elections and a copy shall be recorded in the county
19 recorder's office. The order of the governing body shall be final, and the
20 proposed change shall be made to the district boundaries thirty days after
21 the governing body votes.

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

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

39 1. Property held in multiple ownership shall be treated as if it had
40 only one property owner, ~~so that~~ AND the signature of only one of the owners
41 of property held in multiple ownership is required on the boundary change
42 petition. The number of persons owning property inside the boundaries of the
43 proposed boundary change shall be determined as follows:

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

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

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

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

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

12 (a) In the case of property assessed by the county assessor, values
13 shall be the same as those shown on the last assessment roll of the county
14 containing ~~such~~ THE property.

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

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

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

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

44 E. If the impact statement described in subsection A of this section
45 relates to the withdrawal of property from a district, in addition to the

1 other requirements of subsection A of this section, the governing body shall
2 also determine:

3 1. If the district has any existing outstanding bonds or other
4 evidences of indebtedness.

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

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

8 1. The property withdrawn from the district shall remain subject to
9 taxes, special assessments or fees levied or collected to meet the contracts
10 and covenants of the bonds. The board of supervisors shall provide for the
11 levy and collection of ~~such~~ taxes, special assessments or fees.

12 2. The governing body shall:

13 (a) Annually determine the amount of special property taxes, special
14 assessments or fees that must be levied and collected from property withdrawn
15 from the district and the mechanism by which ~~such~~ THAT amount is to be
16 collected.

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

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

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

29 H. Except as provided in subsection D of this section and section
30 48-2002, ~~no~~ A change in the boundaries of a district pursuant to this section
31 shall NOT result in a district ~~which~~ THAT contains area that is not
32 contiguous.

33 I. Notwithstanding subsection A of this section, any property owner,
34 including a county, this state or the United States government, whose land is
35 within a county that contains a sanitary district or fire district and whose
36 land is contiguous to the boundaries of the sanitary district or fire
37 district may request in writing that the governing body of the district amend
38 the district boundaries to include that property owner's land. If the
39 property is located in an incorporated city or town, in addition to the other
40 requirements prescribed in this subsection, the governing body of the fire
41 district or sanitary district may approve the boundary change only if the
42 governing body of the affected city or town by ordinance or resolution has
43 approved the inclusion of the property in the district. If the governing
44 body determines that the inclusion of that property will benefit the district
45 and the property owner, the boundary change may be made by order of the

1 governing body and is final on the recording of the governing body's order
2 that includes a legal description of the property that is added to the
3 district. A petition and impact statement are not required for an amendment
4 to a sanitary district's or fire district's boundaries made pursuant to this
5 subsection.

6 J. Until August 1, 2014, in a county with a population greater than
7 two million persons, notwithstanding subsection I of this section, any
8 property owner, including the United States, this state or a county, whose
9 land is within two thousand six hundred forty feet of an adjacent sanitary
10 district or fire district, not contiguous to the boundaries of the sanitary
11 district or fire district and within an unincorporated area or county island
12 may request in writing that the governing body of the district amend the
13 district boundaries to include that property owner's land.

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

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

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

38 N. Notwithstanding subsection I of this section, from ~~the effective~~
39 ~~date of this amendment to this section~~ AUGUST 2, 2012 until July 1, 2015, in
40 counties with a population of more than two million five hundred thousand
41 persons, any property owner, including the United States, this state or a
42 county, whose land is within two thousand six hundred forty feet of an
43 adjacent sanitary district or fire district, ~~AND IS~~ not contiguous to the
44 boundaries of the sanitary district or fire district may request in writing
45 that the governing body of the district amend the district boundaries to

1 include that property owner's land. If the property is located in an
2 incorporated city or town, in addition to the other requirements prescribed
3 in this subsection, the governing body of the sanitary district or fire
4 district may approve the boundary change only if the governing body of the
5 affected city or town, by ordinance or resolution, has approved the inclusion
6 of the property in the district. If the governing body determines that the
7 inclusion of that property will benefit the district and the property owner,
8 the boundary change may be made by order of the governing body and is final
9 on the recording of the governing body's order that includes a general
10 description of the property, including the assessor's parcel number, that is
11 added to the district. A petition and impact statement are not required for
12 an amendment to a sanitary district's or fire district's boundaries made
13 pursuant to this subsection.

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

16 Sec. 3. Section 48-266, Arizona Revised Statutes, is amended to read:
17 48-266. Petitions of property owners; form; verification

18 A. The secretary of state shall promulgate sample petition forms, with
19 instructions for completing the form, that comply with the requirements of
20 this ~~statute~~ SECTION. Petitions that conform to the sample form will be
21 deemed to have complied with ~~sections~~ SUBSECTIONS B, C and D of this section.
22 Petitions that do not conform to the sample petition are void and shall not
23 be counted in determining the legal sufficiency of the petition.

24 B. A petition of property owners that is submitted to comply with
25 section 48-261, subsection A, paragraph 7 shall contain a heading that
26 clearly identifies the type of petition circulated and a statement that
27 clearly describes the type of action being proposed. The petition shall be
28 in a form that is substantially similar to the following:

29 Special taxing district creation petition

30 To the board of supervisors of (insert name) county:

31 We the undersigned, property owners of (insert name of
32 county), state of Arizona and owning property within the
33 boundaries as illustrated and defined on the attached
34 exhibit(s), legal description and map of the proposed
35 boundaries, petition the county board of supervisors to create a
36 (insert description of district) as described in the attached
37 exhibit(s). I have personally signed this petition with my
38 first and last names. I have not signed any other petition for
39 the same measure. I am a property owner of the state of
40 Arizona, county of _____.

41 Notice: this is only a description of the district sought
42 to be created by the sponsor of the measure. It may not include
43 every provision contained in the measure. Before signing, make
44 sure the exhibits are attached. You have the right to read or
45 examine the district impact statement before signing.

Warning

It is a class 1 misdemeanor for any person to knowingly do any of the following:

1. Sign a district creation petition with a name other than the person's own name, except in a circumstance where the person signs for another person, in the presence of and at the specific request of that person, who is incapable of signing that person's own name because of physical infirmity.

2. Sign the person's name more than once for the same measure.

3. Sign a district creation petition if the person is not a property owner.

Signature	Name	Actual	Arizona	City or	Date
	(first and	Address	Post Office	Town	
	last name	(street &	Address	(if any)	
	printed)	no. and if	& Zip		
		no street	Code		
		address,			
		describe			
		residence			
		location)			

(Fifteen numbered lines for signatures)

C. A petition of property owners that is submitted to comply with section 48-262, subsection A, paragraph 10 shall contain a heading that clearly identifies the type of petition circulated and a statement that clearly describes the type of action being proposed. The petition shall be in a form substantially similar to the following:

Special taxing district annexation petition

To the governing body of the (insert name) district:

We the undersigned, property owners of (insert name of county), state of Arizona and owning property within the boundaries as illustrated and defined on the attached exhibit(s), legal description and map of the proposed boundaries, petition the district to annex the territory as described in the attached exhibit(s). The area petitioning for annexation, if approved by the governing body of the district, shall become part of the annexing district and subject to all relevant provisions of the Arizona Revised Statutes. I have personally signed this petition with my first and last names. I have not signed any other petition for the same measure. I am a property owner of the state of Arizona, county of _____.

1 Notice: this is only a description of the territory
2 sought to be annexed by the sponsor of the measure. It may not
3 include every provision contained in the measure. Before
4 signing, make sure the exhibits are attached. You have the
5 right to read or examine the boundary change impact statement
6 before signing.

7 Warning

8 It is a class 1 misdemeanor for any person to knowingly do
9 any of the following:

- 10 1. Sign a district annexation petition with a name other
- 11 than the person's own name, except in a circumstance where the
- 12 person signs for another person, in the presence of and at the
- 13 specific request of that person, who is incapable of signing
- 14 that person's own name because of physical infirmity.
- 15 2. Sign the person's name more than once for the same
- 16 measure.
- 17 3. Sign a district annexation petition if the person is
- 18 not a property owner.

19	Signature	Name	Actual	Arizona	City or	Date
20		(first and	Address	Post Office	Town	
21		last name	(street &	Address	(if any)	
22		printed)	no. and if	& Zip		
23			no street	Code		
24			address,			
25			describe			
26			residence			
27			location)			

28 (Fifteen numbered lines for signatures)

29 D. Each petition sheet shall have printed in capital letters in no
30 less than twelve point bold-faced type in the upper right-hand corner of the
31 face of the petition sheet the following:

32 "_____ paid circulator" "_____ volunteer"

33 E. A circulator of petitions shall state whether the circulator is a
34 paid circulator or volunteer by checking the appropriate line on the petition
35 form before circulating the petition for signatures.

36 F. Signatures obtained on petitions in violation of subsection ~~C~~ D of
37 this section are void and shall not be counted in determining the legal
38 sufficiency of the petition. The presence of signatures that are invalidated
39 under this subsection on a petition does not invalidate other signatures on
40 the petition that were obtained as prescribed by this section.

41 G. At the time of signing, the property owner shall sign the property
42 owner's first and last names in the spaces provided and the property owner so
43 signing for the person circulating the petition shall print the first and
44 last names and write, in the appropriate spaces following the signature, the
45 signer's residence address, giving street and number, and if THE property

1 owner has no street address, a description of the residence location. The
2 property owner so signing or the person circulating the petition shall write,
3 in the appropriate spaces following the property owner's address, the date on
4 which the property owner signed the petition.

5 H. The title and text of petitions shall be in at least eight point
6 type.

7 I. The eight point type required by subsection ~~G~~ H of this section
8 does not apply to maps, charts or other graphics.

9 J. The board of supervisors or other governing body of a political
10 subdivision that receives a petition pursuant to this section shall submit a
11 copy of the signature sheets to the county assessor for verification. The
12 county assessor shall:

13 1. Verify that the petition contains the names of more than one-half
14 of the property owners in the area of the proposed district.

15 2. Determine the total assessed valuation of the property owned by the
16 persons whose names are signed on the petition.

17 K. The county assessor shall report the results of the verification to
18 the board of supervisors or other governing body within ten days after
19 receiving the copy of the signature sheets, not including Saturdays, Sundays
20 and other legal holidays.

21 L. If the report of the county assessor prepared pursuant to
22 subsection K of this section determines that the valid signatures submitted
23 are insufficient to meet the requirements of section 48-261, subsection A,
24 paragraph 7, subdivision (b) and the one-year period to submit signatures
25 pursuant to section 48-261, subsection A, paragraph 6 has not yet expired or
26 ~~TO MEET THE REQUIREMENTS OF~~ section 48-262, subsection A, paragraph 10,
27 subdivision (b), ~~and the one-year period to submit signatures pursuant to~~
28 section 48-262, subsection B, paragraph 3 has not yet expired, the person
29 submitting the petitions may ~~request that any hearing on the petitions be~~
30 ~~extended by a period of up to thirty days to permit submission of~~ SUBMIT
31 additional petition signatures. ~~The request to extend must be made within~~
32 ~~five days from the preparation of the county assessor's report or before the~~
33 ~~conclusion of the board of supervisors' hearing on the petitions, whichever~~
34 ~~is earlier. Only one request to extend may be made, and only one additional~~
35 ~~submission of petitions may be made during the extension period. THE~~
36 ORIGINAL PETITION SIGNATURES MAY BE SUBMITTED ANY TIME DURING THE ONE-YEAR
37 PERIOD FOR SUBMITTAL AND the additional submission must ALSO be made within
38 the SAME one-year period to submit signatures set by section 48-261,
39 subsection A, paragraph 6 or section 48-262, subsection B, paragraph 3. If
40 additional signatures are submitted, they shall be submitted to the county
41 assessor for verification pursuant to subsections ~~I~~ and J AND K of this
42 section.

1 no daily newspaper of general circulation exists in the area of the proposed
2 district, at least twice at any time before the date of the hearing, a notice
3 setting forth the purpose of the proposed district formation, the description
4 of the area of the proposed district and the day, hour and place of the
5 hearing.

6 5. At the hearing called pursuant to paragraph 3 of this subsection,
7 the board of supervisors shall hear those who appear for and against the
8 proposed district and shall determine whether the creation of the district
9 will promote public health, comfort, convenience, necessity or welfare. If
10 the board of supervisors determines that the public health, comfort,
11 convenience, necessity or welfare will be promoted, it shall authorize the
12 persons proposing the district to circulate petitions as provided in this
13 subsection. The order of the board of supervisors shall be final, but if the
14 request to circulate petitions is denied, a subsequent request for a similar
15 district may be refiled with the board of supervisors after six months from
16 the date of the denial.

17 6. Within fifteen days after receiving the approval of the board of
18 supervisors as prescribed by paragraph 5 of this subsection, the clerk of the
19 board shall:

20 (a) Determine the minimum number of signatures required for compliance
21 with paragraph 8, subdivision (b) of this subsection. After making that
22 determination, that number of signatures shall remain fixed.

23 (b) Certify whether the petition form to be used is valid and in
24 compliance with section 48-266.

25 7. After receiving the approval of the board of supervisors as
26 provided in paragraph 5 of this subsection, any adult person may circulate
27 and present petitions to the board of supervisors of the county in which the
28 district is located. All petitions circulated shall be returned to the board
29 of supervisors within one year from the date of the approval of the board of
30 supervisors pursuant to paragraph 5 of this subsection. Any petition that is
31 returned more than one year from that date is void. ~~On authorization of the
32 board of supervisors to circulate petitions, the organizing board of the
33 district established pursuant to this subsection may enter into written
34 agreements with third parties to provide services related to the formation of
35 the district that may include the cost of circulating petitions and
36 associated expenses, but in no event may the cost of reimbursable expenses
37 exceed fifteen dollars per parcel. The district shall reimburse third
38 parties subject to the successful formation of the district and on receipt of
39 secondary property tax revenues by the district.~~

40 8. The petitions presented pursuant to paragraph 7 of this subsection
41 shall comply with the provisions regarding verification in section 48-266 and
42 shall:

43 (a) At all times, contain a general description of the boundaries of
44 the proposed district, the assessor's map of the proposed district and the
45 names, addresses and occupations of the proposed members of the district's

1 organizing board of directors. No alteration of the proposed district shall
2 be made after receiving the approval of the board of supervisors as provided
3 in paragraph 5 of this subsection.

4 (b) Be signed by more than one-half of the aggregate number of
5 property owners in the county island areas contained in the proposed
6 district.

7 9. On receipt of the petitions, the board of supervisors shall set a
8 day, not more than thirty days from that date, for a hearing on the petition.

9 10. Before the hearing called pursuant to paragraph 9 of this
10 subsection, the board of supervisors shall determine the validity of the
11 petition signatures presented. At the hearing called pursuant to paragraph 9
12 of this subsection, the board of supervisors, if the petitions are valid,
13 shall order the formation of the district. The board of supervisors shall
14 enter its order setting forth its determination in the minutes of the
15 meeting, not later than ten days from the day of the hearing, and a copy of
16 the order shall be filed in the county recorder's office. The order of the
17 board of supervisors shall be final, and the proposed district is formed
18 thirty days after the board of supervisors votes to form the district. A
19 decision of the board of supervisors under this subsection is subject to
20 judicial review under title 12, chapter 7, article 6.

21 B. For the purpose of determining the validity of the petitions
22 presented pursuant to subsection A, paragraph 7 of this section property held
23 in multiple ownership shall be treated as if it had only one property owner,
24 so that the signature of only one of the owners of property held in multiple
25 ownership is required on the formation petition.

26 C. If a district is formed pursuant to this section, the cost of
27 publication of the notice of hearing and the mailing of notices to electors
28 and property owners and all other costs incurred by the county as a result of
29 this section shall be a charge against the district.

30 D. A district organized pursuant to this section shall have an
31 organizing board of directors to administer the affairs of the district until
32 a duly constituted board of directors is elected as provided in this title.
33 The organizing board shall have all the powers, duties and responsibilities
34 of an elected board. The organizing board shall consist of the three
35 individuals named in the petitions presented pursuant to subsection A of this
36 section. If a vacancy occurs on the organizing board, the remaining board
37 members shall fill the vacancy by appointing an interim member. Members of
38 the organizing board shall serve without compensation but may be reimbursed
39 for actual expenses incurred in performing their duties. The organizing
40 board shall elect from its members a chairperson and a clerk. For any
41 challenge to the formation of the district, the district board is a proper
42 party to the challenge and any petition circulators are not proper parties.

43 E. For the purposes of this article, "noncontiguous county island fire
44 district" means a district that is formed pursuant to this section and for
45 which ~~either~~ ALL of the following ~~applies~~ APPLY:

1 1. The district consists of only noncontiguous county islands in a
2 geographic boundary area that is contained in a municipal planning area and:
3 ~~(a)~~ is within the boundaries of an automatic aid or mutual aid
4 consortium.

5 ~~(b)~~ 2. Fire protection services are not funded pursuant to section
6 48-807 at the time of the district's formation.

7 ~~(c)~~ 3. There is only one fire district within the geographic area of
8 the municipal planning area for any one city or town.

9 ~~2. The district consists of only one or more noncontiguous county
10 islands that are not contained in a municipal planning area in which the
11 geographic boundary area of the district is surrounded by any combination of
12 federal, state, county, municipal or fire district jurisdictional boundaries
13 and:~~

14 ~~(a) The area is currently served by a private fire protection service
15 provider.~~

16 ~~(b) Fire protection services are not funded pursuant to section 48-807
17 at the time of the district's formation.~~

18 Sec. 5. Section 48-853, Arizona Revised Statutes, is amended to read:
19 48-853. District board; powers and duties; intergovernmental
20 agreements; contract; administration; definition

21 A. A fire district formed pursuant to this article, through its board
22 shall:

23 1. Hold public meetings as necessary to carry out its powers and
24 duties but at least once every ninety days.

25 2. Prepare an annual budget that contains detailed estimated
26 expenditures for each fiscal year and that clearly shows expenses of the
27 district. The budget shall be posted in three public places and published in
28 a newspaper of general circulation in the district twenty days before a
29 public hearing at a meeting called by the board to adopt the budget. The
30 budget shall be posted in a prominent location on the official website no
31 later than seven business days after the estimates of revenues and expenses
32 are tentatively adopted. A complete copy of the approved estimates of
33 revenues and expenses shall be posted in a prominent location on the official
34 website no later than seven business days after final adoption. Copies of
35 the budget shall also be available to members of the public on written
36 request to the district. Following the public hearing, the district board
37 shall adopt a budget. Both the tentatively adopted estimates of revenues and
38 expenses and the budget finally adopted under this section shall be retained
39 and accessible in a prominent location on the official website for at least
40 sixty months.

41 3. Maintain a website for the purpose of providing access to public
42 records. The district shall post permanent public records to its website.

43 4. Maintain and store all permanent public records in an electronic
44 media or digital imaging format according to standards for the storage of
45 permanent public records established by the director of the Arizona state

1 library, archives and public records. The director of the Arizona state
2 library, archives and public records shall approve an acceptable electronic
3 media or digital imaging format for the district. The county in which the
4 district is located shall maintain an official copy of the permanent public
5 records of the district. The copy of the permanent public records shall be
6 provided to the county by the district annually no later than ninety days
7 after the end of the fiscal year.

8 5. Appoint the fire chief of the fire service provider selected
9 pursuant to paragraph 9 of this subsection, either public or private, as the
10 fire chief for the district.

11 6. Adopt the fire code of the municipality whose municipal planning
12 area includes the district except that the fire district's authority to
13 conduct inspections shall apply only to commercial and industrial properties
14 and shall not apply to residential properties.

15 7. Keep three copies of the applicable fire code, amendments and
16 revisions on file for public inspection.

17 8. Notify the county board of supervisors of the cost of providing
18 fire protection service and emergency medical service for each household or
19 other structure in the district if the district provides service pursuant to
20 paragraph 9, subdivision (a) or ~~(e)~~ (b) of this subsection.

21 9. Act within sixty days after the formation of the district to do any
22 of the following:

23 ~~(a) If the district is formed pursuant to section 48-851,~~
24 ~~subsection E, paragraph 1, Enter into an intergovernmental agreement with a~~
25 ~~municipal provider for fire protection services for the district. A~~
26 ~~municipal provider seeking to enter into an agreement with the district~~
27 ~~formed pursuant to section 48-851, subsection E, paragraph 1 shall make a~~
28 ~~formal expression of intent to enter into an agreement with the district~~
29 ~~within twenty-one days of district formation.~~

30 ~~(b) If the district is formed pursuant to section 48-851,~~
31 ~~subsection E, paragraph 2, enter into a contract with a private fire~~
32 ~~protection service provider for the district. The private fire protection~~
33 ~~service provider seeking to enter into a contract with the district shall~~
34 ~~make a formal expression of intent within twenty one days of district~~
35 ~~formation to enter into the contract with the district. If the private fire~~
36 ~~protection service provider makes a formal expression of intent to enter into~~
37 ~~a contract with the district, the provider shall have a right of first~~
38 ~~refusal to contract with the district on terms established by the district~~
39 ~~pursuant to subdivision (c) of this paragraph.~~

40 ~~(c)~~ (b) Issue a request for proposals for nonmunicipal private
41 providers of fire protection services for the district ~~if the current private~~
42 ~~provider fails to notify the district of its intention to enter into a~~
43 ~~contract with the district or for any contract to be awarded pursuant to~~
44 ~~subdivision (b) of this paragraph.~~ Notwithstanding any other law, municipal
45 annexation shall not be undertaken during the term of any contract entered

1 into between the district and a private fire service provider, except that in
2 the one hundred eighty day period before the end of the contract, the
3 municipality shall notify the residents of the opportunity to annex into the
4 municipality. A resident shall notify the district and the municipality
5 within ninety days before the end of the contract that the resident is
6 annexing into the municipality and shall complete the annexation within ten
7 days after the completion of the contract. If no district residents notify
8 the municipality that the resident is annexing, the district may renew the
9 contract automatically. If a resident proposes to annex into the
10 municipality, the district shall issue a request for proposals again as
11 prescribed in this subdivision.

12 ~~(d)~~ (c) Before applying this subdivision, request an independent
13 review by the county attorney of the negotiations, if any, that were
14 conducted as prescribed in subdivision (a) of this paragraph and the request
15 for proposals and resulting bids. After the independent review, the county
16 attorney shall certify whether the negotiations and proposals were based on
17 commercially reasonable assumptions. If the county attorney certifies that
18 any one or more of the provisions are not commercially reasonable, the
19 district and the other party to the negotiations have ten days to cure and
20 continue negotiations before resubmitting information on the negotiations and
21 proposals to the county attorney for certification. Notwithstanding any
22 other law, the county attorney shall have access to sealed bids for purposes
23 of this subdivision. The county attorney shall review and issue a
24 certification pursuant to this subdivision within thirty days after the
25 information and documents regarding negotiations and proposals are submitted
26 to the county attorney. If a fire district ~~as defined in section 48-851,~~
27 ~~subsection E, paragraph 1~~ does not enter into an intergovernmental agreement
28 pursuant to subdivision (a) of this paragraph or enter into a contract
29 pursuant to subdivision ~~(c)~~ (b) of this paragraph, the surrounding
30 municipality shall provide fire protection and emergency medical services
31 except for services regulated pursuant to title 36, chapter 21.1 in the
32 district immediately on request by the district, following final
33 certification by the county attorney. The municipality shall be compensated
34 by the district as follows:

35 (i) A three person board shall set the secondary property tax rate for
36 the district. The district shall appoint one person to the board, the
37 surrounding municipality shall appoint one person to the board, and the two
38 appointees shall agree on a third person for the board. If the two
39 appointees cannot agree on a third appointee within five days after the two
40 persons are appointed, the county board of supervisors shall appoint the
41 third person to the board.

42 (ii) The three person board shall meet and set the tax rate within
43 thirty days after the third person is appointed to the board.

44 (iii) The district shall levy the tax at the rate as determined by the
45 three person board and the tax shall be collected as other property taxes are

1 collected. On receipt of monies from the property tax levied, the district
2 shall reimburse the county for the costs associated with the formation of the
3 district, including administrative expenses.

4 ~~(e) On formation and subject to the availability of funds, reimburse~~
5 ~~third parties for services rendered pursuant to section 48-851, subsection A,~~
6 ~~paragraph 7.~~

7 10. Require that any intergovernmental agreement or contract between
8 the district and a provider of fire protection services include:

9 (a) A term of duration between three and five years.

10 (b) A provision setting forth the cost of service and performance
11 criteria.

12 (c) An acknowledgment of the right of the municipality to determine
13 the location of future infrastructure if the district is in the
14 municipality's planning area at the time of the execution of the contract.

15 11. If necessary, issue a request for proposals for providers of
16 emergency medical services and enter into an intergovernmental agreement or
17 contract with a provider of emergency medical services except for those
18 services regulated by title 36, chapter 21.1.

19 12. Assess and levy a secondary property tax to pay for the costs of
20 the fire protection service or emergency medical service except for those
21 services regulated by title 36, chapter 21.1. A secondary property tax
22 assessed pursuant to this section is not subject to the levy limitation
23 prescribed by section 48-807.

24 13. Defend, indemnify and hold harmless a municipal provider or any
25 other provider of fire protection from and against any claims or expenses to
26 which it may be subjected by reason of injury or death of any person or loss
27 or damage to any property directly attributable to the provision of the
28 services unless the services were provided in a grossly negligent manner.
29 The fire district shall secure insurance sufficient to cover liability
30 exposure.

31 B. A fire district formed pursuant to this article, through its board,
32 may:

33 1. Contract for administrative staff services, if any, deemed
34 necessary or appropriate to carry out its powers and duties, but a member of
35 a district board shall not be an employee of the district.

36 2. Retain a certified public accountant to perform an annual audit of
37 district books.

38 3. Retain private legal counsel.

39 4. Sue and be sued.

40 5. Accept gifts, contributions, bequests and grants and comply with
41 any requirements of such gifts, contributions, bequests and grants not
42 inconsistent with this article.

43 6. Appropriate and expend annually such monies as are necessary for
44 the purpose of fire districts belonging to and paying dues in the Arizona
45 fire district association and other professional affiliations or entities.

1 7. Expand its boundaries pursuant to the requirements of section
2 48-262 to include unincorporated parcels within a city or a town's municipal
3 planning area with the permission of the city or town.

4 C. The county attorney may advise and represent the district when in
5 the county attorney's judgment such advice and representation are appropriate
6 and not in conflict with the county attorney's duties under section 11-532.
7 If the county attorney is unable to advise and represent the district due to
8 a conflict of interest, the district may retain private legal counsel or may
9 request the attorney general to represent it, or both.

10 D. The chairperson and clerk of the district board or their respective
11 designees, as applicable, shall draw warrants on the county treasurer for
12 money required to operate the district in accordance with the budget and, as
13 so drawn, the warrants shall be sufficient to authorize the county treasurer
14 to pay from the fire district fund.

15 E. The district shall not incur any debt or liability in excess of
16 taxes levied and to be collected and the money actually available and
17 unencumbered at the time in the fund, except as provided in section 48-807.

18 F. If a district formed under section 48-851 agrees to provide fire
19 and emergency medical services in a county island where a private provider of
20 fire or emergency services has facilities and provides fire service, or where
21 the private provider is the closest responding fire service provider, the
22 district and the private provider shall enter into an agreement covering the
23 roles and relationships regarding mutual aid or backup and any services for
24 which the district wishes to contract. The agreement shall include an
25 allocation of the district's property tax revenues to the municipal
26 contractor and or the private provider based on the proportionate share of
27 the fire services each contractor will provide to the district. The
28 agreement shall be executed before the district begins providing service in
29 the county island. If an agreement is not reached within ninety days after
30 the district requests the private provider to establish a plan, either party
31 may request that the matter be arbitrated pursuant to title 12, chapter 21.

32 G. This section does not require a fire district or a city or town to
33 provide fire protection or emergency medical services to an area of the
34 county that is receiving services from a private provider, except as provided
35 by a mutual aid or backup agreement pursuant to this section.

36 H. For the purposes of this article, "fire service" and "fire
37 protection" include fire prevention, emergency medical services and
38 inspection of commercial or industrial property.