

State of Arizona  
Senate  
Fifty-first Legislature  
Second Regular Session  
2014

# SENATE BILL 1348

AN ACT

AMENDING SECTIONS 48-251, 48-253, 48-805 AND 48-805.02, 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 48-251, Arizona Revised Statutes, is amended to  
3 read:

4 48-251. Annual report

5 A. Each district organized under this title and not exempted under  
6 subsection C of this section shall submit an annual report as prescribed by  
7 this section that contains the following information:

8 1. A schedule of the beginning and ending fund balances and all  
9 revenues and expenditures for the preceding fiscal year on a form prescribed  
10 by the auditor general or the same information contained in a financial  
11 statement for the preceding fiscal year that has been attested to by an  
12 independent certified public accountant. The schedule or statement shall  
13 include all monies, gifts or donations that are received from all sources and  
14 that have a value exceeding one hundred dollars.

15 2. Legal descriptions of any boundary changes occurring during the  
16 preceding fiscal year.

17 3. The names, occupations and business telephone numbers of all  
18 members of the governing board and officers of the district on the last day  
19 of the preceding fiscal year.

20 4. The schedule and location of regular meetings of the district  
21 governing board.

22 5. The location or locations where public notices of meetings are  
23 posted pursuant to section 38-431.02.

24 6. The name and title of the person or persons completing the  
25 reporting requirements pursuant to this subsection.

26 7. EXCEPT FOR A DISTRICT ORGANIZED PURSUANT TO CHAPTER 5, ARTICLE 3 OF  
27 THIS TITLE, A COPY OF ANY FINANCIAL AUDIT OR FINANCIAL REVIEW REQUIRED TO BE  
28 PREPARED PURSUANT TO SECTION 48-253.

29 B. The secretary or other officer of the district governing board  
30 shall submit the report within two hundred forty days of the close of the  
31 district's fiscal year to the clerk of the board of supervisors of each  
32 county in which the district is located.

33 C. Districts organized under chapters 4, 6, 17, 22, 27 and 28 of this  
34 title are exempt from the requirements of this section. Districts that do  
35 not provide services or otherwise operate during the entire period covered by  
36 the report and that notify the clerk of the board of supervisors in writing  
37 of ~~such~~ THESE circumstances within the time for filing the report are exempt  
38 from the requirements of subsection A of this section.

39 D. If a district fails to submit a report as required by this section,  
40 any taxpayer residing in the district may petition the superior court in a  
41 county in which the district is organized to order the district to show cause  
42 why the report has not been submitted. On a failure to show cause the court  
43 shall order the district to file all reports as required by this section. A  
44 failure to obey the order of the court is punishable as contempt of court.

1 E. If the court finds that a district has violated this section, it  
2 shall award the taxpayer attorney fees and costs associated with bringing the  
3 action.

4 F. The board of supervisors of each county shall submit annually by  
5 March 31 a report on compliance with the requirements of this section to the  
6 president of the senate, the speaker of the house of representatives and the  
7 governor. The annual report shall include a listing of all those districts  
8 required to comply with the requirements of this section, the districts in  
9 compliance and not in compliance with the requirements and an analysis of the  
10 sufficiency of each district report.

11 G. The board of supervisors shall notify each district not in  
12 compliance with the reporting requirements of this section to comply within  
13 thirty days after receipt by certified mail of ~~such~~ THE noncompliance and  
14 that the district is subject to a civil penalty if it fails to comply. The  
15 board of supervisors shall assess, and the county treasurer shall collect  
16 from the monies of a district remaining in noncompliance thirty days after  
17 receipt of certified mail a penalty assessment of one hundred dollars per day  
18 for each day that ~~such~~ THE district is not in compliance with the reporting  
19 requirements of this section from thirty days after receipt by certified mail  
20 of the noncompliance notice until such time as the board of supervisors  
21 receives a copy of the district's annual report, to the extent that district  
22 monies are available and unencumbered. Penalty monies collected shall be  
23 deposited in the county general fund.

24 Sec. 2. Section 48-253, Arizona Revised Statutes, is amended to read:  
25 48-253. District audits and financial reviews

26 A. Each district that is organized under this title, that is not  
27 exempt under ~~subsection~~ SUBSECTIONS G AND H of this section and that is  
28 required to make an annual report under this article shall have its reports  
29 audited in accordance with generally accepted government auditing standards  
30 and the following:

31 1. Audits required by this section shall be performed annually for  
32 districts whose budgets are one million dollars or more. Districts whose  
33 budgets are one hundred thousand dollars or more but less than one million  
34 dollars shall have a financial review performed annually. Districts whose  
35 budgets are more than fifty thousand dollars and less than one hundred  
36 thousand dollars shall have a financial review performed at least biennially.  
37 Districts whose budgets are fifty thousand dollars or less shall have a  
38 financial review performed at the request of the county board of supervisors  
39 or on receipt of a request for a financial review that is signed by at least  
40 ten residents of that district. A district shall not be required to perform  
41 a financial review more than once per fiscal year.

42 2. A district may select an outside auditor who is a certified public  
43 accountant or a representative who is selected by the board of supervisors  
44 and who is trained as an auditor.

1           3. A district may advertise and use competitive bidding practices to  
2 select an agent to perform the audits or financial reviews required by this  
3 section.

4           B. Each district that submits a financial statement for the preceding  
5 fiscal year that has been attested to by an independent certified public  
6 accountant pursuant to section 48-251 is deemed to have complied with this  
7 section by submitting a copy of the financial statement to the county  
8 treasurer.

9           C. Each district shall submit a copy of the completed audit or  
10 financial review to the county treasurer and the board of supervisors within  
11 two hundred forty days after the close of the district's fiscal year or  
12 within one hundred eighty days after a request for a financial review is  
13 received by the district pursuant to subsection A, paragraph 1 of this  
14 section.

15           D. If a district fails to submit an audit or financial review as  
16 required by this section, any taxpayer residing in the district, the board of  
17 supervisors or the county treasurer may petition the superior court in a  
18 county where the district is organized to show cause why the audit or  
19 financial review has not been submitted. On a failure to show cause the  
20 court shall order the district to submit the audit or financial review within  
21 ten days after the judgment is entered. EXCEPT FOR A DISTRICT ORGANIZED  
22 PURSUANT TO CHAPTER 5, ARTICLE 3 OF THIS TITLE, ON COMPLAINT MADE TO THE  
23 COUNTY ATTORNEY, THE COUNTY ATTORNEY MAY INVESTIGATE ANY CLAIMED FAILURE TO  
24 COMPLY WITH THIS SECTION, REPORT PUBLICLY ON THE INVESTIGATION'S FINDINGS AND  
25 TAKE ANY ENFORCEMENT ACTION DEEMED APPROPRIATE BY THE COUNTY ATTORNEY.

26           E. If the court enters a judgment against the district under this  
27 section, the court may award the taxpayer, board of supervisors or county  
28 treasurer reasonable attorney fees and costs associated with bringing the  
29 action.

30           F. For districts organized under chapter 19 of this title, a district  
31 with an annual budget of at least five million dollars shall have an audit  
32 performed annually and a district with an annual budget of at least one  
33 million dollars but less than five million dollars shall have an audit  
34 performed every five years and a financial review performed each year an  
35 audit is not performed. A district with an annual budget of at least one  
36 hundred thousand dollars but less than one million dollars shall have an  
37 audit performed every ten years and a financial review performed each year an  
38 audit is not performed.

39           G. FOR DISTRICTS ORGANIZED UNDER CHAPTER 5 OF THIS TITLE AND EXCEPT  
40 FOR DISTRICTS ORGANIZED UNDER CHAPTER 5, ARTICLE 3 OF THIS TITLE, A DISTRICT  
41 THAT RECEIVES FIVE HUNDRED THOUSAND DOLLARS OR MORE IN TOTAL REVENUES SHALL  
42 PERFORM AN ANNUAL AUDIT. FOR THE PURPOSES OF THIS SECTION, REVENUES INCLUDE  
43 MONIES GENERATED BY TAX LEVIES, MONIES RECEIVED THROUGH APPROPRIATIONS,  
44 GRANTS AND OTHER FEDERAL AND STATE SOURCES AND MONIES RECEIVED FROM SERVICES  
45 OR OTHER PRIVATE SOURCES, INCLUDING AMBULANCE AND SIMILAR SERVICES. IF A  
46 DISTRICT'S TOTAL BUDGETED REVENUES IN A FISCAL YEAR ARE LESS THAN FIVE

1 HUNDRED THOUSAND DOLLARS AND THE DISTRICT RECEIVES TOTAL ACTUAL REVENUES IN A  
2 FISCAL YEAR OF FIVE HUNDRED THOUSAND DOLLARS OR MORE, THE DISTRICT SHALL HAVE  
3 AN AUDIT PERFORMED FOR THAT PRECEDING FISCAL YEAR AS IF THE AUDIT HAD  
4 ORIGINALLY BEEN REQUIRED BY THIS SECTION. DISTRICTS WHOSE TOTAL ANNUAL  
5 REVENUES ARE ONE HUNDRED THOUSAND DOLLARS OR MORE BUT LESS THAN FIVE HUNDRED  
6 THOUSAND DOLLARS SHALL HAVE A FINANCIAL REVIEW PERFORMED ANNUALLY. DISTRICTS  
7 WHOSE TOTAL ANNUAL REVENUES ARE MORE THAN FIFTY THOUSAND DOLLARS AND LESS  
8 THAN ONE HUNDRED THOUSAND DOLLARS SHALL HAVE A FINANCIAL REVIEW PERFORMED AT  
9 LEAST BIENNIALLY. DISTRICTS WHOSE TOTAL ANNUAL REVENUES ARE FIFTY THOUSAND  
10 DOLLARS OR LESS SHALL HAVE A FINANCIAL REVIEW PERFORMED AT THE REQUEST OF THE  
11 COUNTY BOARD OF SUPERVISORS OR ON RECEIPT OF A REQUEST FOR A FINANCIAL REVIEW  
12 THAT IS SIGNED BY AT LEAST TEN RESIDENTS OF THAT DISTRICT. A DISTRICT SHALL  
13 NOT BE REQUIRED TO PERFORM A FINANCIAL REVIEW MORE THAN ONCE PER FISCAL YEAR.  
14 ALL FINANCIAL REVIEWS PRESCRIBED BY THIS SECTION MUST BE CONDUCTED ACCORDING  
15 TO GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS.

16 ~~G.~~ H. Districts organized under chapters 4, 6, 17, 22, 27 and 28 of  
17 this title are exempt from the requirements of this section.

18 Sec. 3. Section 48-805, Arizona Revised Statutes, is amended to read:  
19 48-805. Fire district; powers and duties

20 A. A fire district, through its board, shall:

21 1. Hold public meetings at least once each calendar month **UNLESS A**  
22 **BOARD CONSISTS OF THREE MEMBERS AND THE FIRE DISTRICT LEVIES LESS THAN FIVE**  
23 **HUNDRED THOUSAND DOLLARS ANNUALLY THEN THE BOARD SHALL MEET IN JULY AND AT**  
24 **LEAST EVERY TWO MONTHS THEREAFTER. A BOARD FOR A DISTRICT ORGANIZED PURSUANT**  
25 **TO ARTICLE 3 OF THIS CHAPTER SHALL HOLD PUBLIC MEETINGS AT LEAST ONCE EACH**  
26 **CALENDAR MONTH.**

27 2. Determine the compensation payable to district personnel.

28 3. Require probationary employees in a paid sworn firefighter  
29 position, a reserve firefighter position or a volunteer firefighter position  
30 to submit a full set of fingerprints to the fire district. The fire district  
31 shall submit the fingerprints to the department of public safety for the  
32 purpose of obtaining a state and federal criminal records check pursuant to  
33 section 41-1750 and Public Law 92-544. The department of public safety may  
34 exchange this fingerprint data with the federal bureau of investigation.

35 B. A fire district, through its board, may:

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

45 2. Construct, purchase, lease, lease-purchase or otherwise acquire the  
46 following or any interest therein and, in connection with the construction or

1 other acquisition, purchase, lease, lease-purchase or grant a lien on any or  
2 all of its present or future property, including:

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

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

7 3. Finance the acquisition of property as provided in this section and  
8 costs incurred in connection with the issuance of bonds as provided in  
9 section 48-806. Bonds shall not be issued without the consent of a majority  
10 of the electors of the district voting at an election held for that purpose.  
11 For the purposes of an election held under this paragraph, all persons who  
12 are eligible to vote in fire district elections under section 48-802 are  
13 eligible to vote.

14 4. Enforce the fire code adopted by the district, if any, and assist  
15 the state fire marshal in the enforcement of fire protection standards of  
16 this state within the fire district including enforcement of a nationally  
17 recognized fire code if expressly authorized by the state fire marshal.

18 5. After the approval of the qualified electors of the fire district  
19 voting at a regular district election or at a special election called for  
20 ~~such~~ THAT purpose by the district board, as appropriate, or at any election  
21 held in the county that encompasses the fire district, adopt the \_\_\_\_\_  
22 fire code, which is a nationally recognized fire code approved by the state  
23 fire marshal. The words appearing on the ballots shall be "should  
24 \_\_\_\_\_ fire district adopt the \_\_\_\_\_ fire code, which is a  
25 nationally recognized fire code approved by the state fire marshal--yes",  
26 "should \_\_\_\_\_ fire district adopt the \_\_\_\_\_ fire code,  
27 which is a nationally recognized fire code approved by the state fire  
28 marshal--no". The code shall be enforced by the county attorney in the same  
29 manner as any other law or ordinance of the county. Any inspection or  
30 enforcement costs are the responsibility of the fire district involved. The  
31 district shall keep the code on file which shall be open to public inspection  
32 for a period of thirty days before any election for the purpose of adopting a  
33 fire code. Copies of the order of election shall be posted in three public  
34 places in the district at least twenty days before the date of the election,  
35 and if a newspaper is published in the county having a general circulation in  
36 the district, the order shall be published in the newspaper at least once a  
37 week during each of the three calendar weeks preceding the calendar week of  
38 the election.

39 6. Amend or revise the adopted fire code, including replacement of the  
40 adopted fire code with an alternative nationally recognized fire code, with  
41 the approval of the state fire marshal and after a hearing held pursuant to  
42 posted and published notice as prescribed by section 48-805.02, subsection A.  
43 The district shall keep three copies of the adopted code, amendments and  
44 revisions on file for public inspection.

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

4           8. Contract with a city or town for fire protection services for all  
5 or part of the city or town area until the city or town elects to provide  
6 regular fire department services to the area.

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

9           10. Retain private legal counsel.

10          11. Accept gifts, contributions, bequests and grants and comply with  
11 any requirements of those gifts, contributions, bequests and grants that are  
12 not inconsistent with this article.

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

16          13. Adopt resolutions establishing fee schedules both within and  
17 outside of the jurisdictional boundaries of the district for providing fire  
18 protection services and services for the preservation of life, including  
19 emergency fire and emergency medical services, plan reviews, standby charges,  
20 fire cause determination, users' fees or facilities benefit assessments or  
21 any other fee schedule that may be required.

22          14. With the approval of two of the three members of a three-member  
23 board, four of the five members of a five-member board or five of the seven  
24 members of a seven-member board, change the district's name and on so doing  
25 shall give written notice to the board of supervisors of the change. The  
26 governing board of a fire district may place a question on the general  
27 election ballot as to whether the fire district shall change its name.

28          15. Require all employees to submit a full set of fingerprints as  
29 prescribed by subsection A, paragraph 3 of this section.

30          16. Enter into intergovernmental agreements or contracts as follows:

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

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

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

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

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

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

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

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

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

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

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

22 C. A FIRE DISTRICT MAY NOT ADMINISTRATIVELY ADD OR ANNEX ADDITIONAL  
23 PROPERTY OR DELETE PROPERTY OR OTHERWISE MODIFY ITS BOUNDARIES EXCEPT IN A  
24 MERGER OR CONSOLIDATION PURSUANT TO THIS CHAPTER OR IN A BOUNDARY CHANGE MADE  
25 PURSUANT TO SECTION 48-262. THIS SUBSECTION DOES NOT APPLY TO A DISTRICT  
26 ORGANIZED PURSUANT TO ARTICLE 3 OF THIS CHAPTER.

27 ~~E.~~ D. The chairman and clerk of the district board or their  
28 respective designees, as applicable, shall draw warrants on the county  
29 treasurer for money required to operate the district in accordance with the  
30 budget and, as so drawn, the warrants shall be sufficient to authorize the  
31 county treasurer to pay from the fire district fund.

32 ~~D.~~ E. For any fire district that designates one or more board members  
33 to have access to the financial books and records of the district, those  
34 board members are authorized by law to have full access to those financial  
35 books and records.

36 ~~E.~~ F. The district board may assess and levy a secondary property tax  
37 pursuant to this article to pay for the costs of fire protection services or  
38 emergency medical services except for services regulated pursuant to title  
39 36, chapter 21.1.

40 ~~F.~~ G. The county attorney may advise and represent the district if in  
41 the county attorney's judgment the advice and representation are appropriate  
42 and not in conflict with the county attorney's duties under section 11-532.  
43 If the county attorney is unable to advise and represent the district due to  
44 a conflict of interest, the district may retain private legal counsel or may  
45 request the attorney general to represent it, or both.

1           Sec. 4. Section 48-805.02, Arizona Revised Statutes, is amended to  
2 read:

3           48-805.02. Fire district annual budget; levy; requirements

4           A. A fire district shall prepare an annual budget that contains  
5 detailed estimated expenditures for each fiscal year and that clearly shows  
6 salaries payable to employees of the district. The budget summary shall be  
7 posted in three public places and a complete copy of the budget shall be  
8 published on the district's official website for twenty days before a public  
9 hearing at a meeting called by the board to adopt the budget. Copies of the  
10 budget shall also be available to members of the public on written request to  
11 the district. Following the public hearing, the district board shall adopt a  
12 budget. A complete copy of the adopted budget shall be posted in a prominent  
13 location on the district's official website within seven business days after  
14 final adoption and shall be retained on the website for at least sixty  
15 months. For any fire district that does not maintain an official website,  
16 the fire district may comply with this subsection by posting on a website of  
17 an association of fire districts in this state.

18           B. Not more than ten days after the organization of a fire district  
19 and not later than August 1 of each year thereafter, the chairman of the  
20 district board shall submit to the county board of supervisors a budget  
21 estimate that contains certifications by item and that specifies the amount  
22 of money required for the maintenance and operation of the district for the  
23 ensuing year.

24           C. Based on the budget submitted by the district, the board of  
25 supervisors shall levy the tax as prescribed in section 48-807, subsection E.

26           D. Every budget adopted by a fire district shall include the  
27 following:

28           1. A certification by the chairman and clerk of the district board as  
29 to both of the following:

30           (a) That the district has not incurred any debt or liability in excess  
31 of taxes levied and to be collected and the money actually available and  
32 unencumbered at that time in the district general fund, except for those  
33 liabilities as prescribed in section 48-805, subsection B, paragraph 2 and  
34 sections 48-806 and 48-807.

35           (b) That the district complies with subsection ~~E~~ F of this section.

36           2. For each of the items listed in the budget summary approved  
37 pursuant to subsection A of this section, the district shall estimate the  
38 revenue or expense for the next two fiscal years. Estimates shall be based  
39 on the average increase or decrease of the item for the previous two fiscal  
40 years unless more certain information is available to the district.  
41 Estimates shall include any applicable levy or rate limitations.

42           3. If a district's total estimate of expenses exceeds its total  
43 estimate of revenues for any fiscal year, the district shall undertake a  
44 study of merger, consolidation or joint operating alternatives. The study  
45 required by this ~~subsection~~ PARAGRAPH shall be presented to the fire district  
46 board in a special public meeting called for the sole purpose of evaluating

1 the study. The study shall include an identification of districts available  
2 for merger, consolidation or joint operations, an analysis of the level of  
3 service and cost of service that may be provided to the residents of a  
4 merged, consolidated or jointly operated district as compared to the level  
5 and cost of service to the residents of the districts without any merger,  
6 consolidation or joint operations.

7 E. FOR ANY DISTRICT THAT AMENDS ITS BUDGET AFTER ITS INITIAL ADOPTION,  
8 THE DISTRICT BOARD SHALL HOLD AT LEAST TWO HEARINGS ON THE REVISION OF THE  
9 BUDGET AND THE REVISED BUDGET MUST BE CONSIDERED AND ADOPTED IN A SPECIAL  
10 MEETING THAT IS CALLED FOR THE ADOPTION OF THE REVISED BUDGET. THE SPECIAL  
11 MEETING MUST BE HELD ONE WEEK AFTER THE CONSIDERATION OF THE REVISION OF THE  
12 BUDGET AT A REGULARLY SCHEDULED MEETING OF THE BOARD OF DIRECTORS OF THE  
13 DISTRICT. THIS SUBSECTION DOES NOT APPLY TO A DISTRICT ORGANIZED PURSUANT TO  
14 ARTICLE 3 OF THIS CHAPTER.

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

28 ~~F-~~ G. Any audit or report of a fire district made pursuant to section  
29 48-253 shall be presented in person to the district board by the auditor and  
30 the district board shall accept the audit or report. The audit or report  
31 shall include a certification by the auditor of the district as to both of  
32 the following:

33 1. That the district has not incurred any debt or liability in excess  
34 of taxes levied and to be collected and the monies actually available and  
35 unencumbered at that time in the district general fund except for those  
36 liabilities as prescribed in section 48-805, subsection B, paragraph 2 and  
37 sections 48-806 and 48-807.

38 2. That the district complies with subsection ~~E-~~ F of this section.

39 Sec. 5. Emergency

40 This act is an emergency measure that is necessary to preserve the  
41 public peace, health or safety and is operative immediately as provided by  
42 law.