

REFERENCE TITLE: fire districts; board size; formation

State of Arizona
Senate
Fifty-first Legislature
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2014

SB 1387

Introduced by
Senators Crandell: Ward

AN ACT

AMENDING SECTIONS 48-261, 48-262, 48-266, 48-803, 48-804, 48-851 AND 48-853,
ARIZONA REVISED STATUTES; RELATING TO FIRE DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 48-261, 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~~ TAXABLE properties provided by the
38 assessor 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~~ TAXABLE properties within the boundaries of
12 the proposed district shall remain fixed for purposes of determining
13 compliance with the property valuation requirement prescribed in paragraph 7
14 of this 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~~ A new petition circulation shall
41 NOT be 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 THE purposes of determining
 2 whether or not the proposed addition is contiguous, the addition is deemed
 3 contiguous if land that is owned by or under the jurisdiction of the United
 4 States government, this state or any political subdivision of this state,
 5 other than an incorporated city or town, intervenes between the proposed
 6 addition and 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~~ AN alteration of the
 30 described area shall NOT be made after receiving the approval of the
 31 governing body as provided in paragraph 5 of this subsection. The items
 32 required to be contained with the petition under this ~~subsection~~ SUBDIVISION
 33 shall be printed on the back of the petition form required pursuant to
 34 section 48-266 unless the size of the items ~~preclude~~ PRECLUDES COMPLIANCE
 35 WITH this requirement. An error in the legal description of the proposed
 36 change shall not invalidate the petitions if considered as a whole the
 37 information provided is sufficient to identify the property as illustrated in
 38 the map required pursuant to ~~subsection A of this section~~ THIS 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 _____.

Notice: this is only a description of the territory sought to be annexed by the sponsor of the measure. It may not include every provision contained in the measure. Before signing, make sure the exhibits are attached. You have the

1 right to read or examine the boundary change impact statement
2 before signing.

3 Warning

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

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

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

13 3. Sign a district annexation petition if the person is
14 not a property owner.

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

24 (Fifteen numbered lines for signatures)

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

28 "_____ paid circulator" "_____ volunteer"

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

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

37 G. At the time of signing, the property owner shall sign the property
38 owner's first and last names in the spaces provided and the property owner so
39 signing for the person circulating the petition shall print the first and
40 last names and write, in the appropriate spaces following the signature, the
41 signer's residence address, giving street and number, and if THE property
42 owner has no street address, a description of the residence location. The
43 property owner so signing or the person circulating the petition shall write,
44 in the appropriate spaces following the property owner's address, the date on
45 which the property owner signed the petition.

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

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

5 J. The board of supervisors or other governing body of a political
6 subdivision that receives a petition pursuant to this section shall submit a
7 copy of the signature sheets to the county assessor for verification. The
8 county assessor shall:

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

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

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

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

39 Sec. 4. Section 48-803, Arizona Revised Statutes, is amended to read:
40 **48-803. District administered by a district board**

41 A. In a district that the board of supervisors estimates has a
42 population of fewer than four thousand inhabitants, the district board may
43 consist of three or five members. In a district that the board of
44 supervisors estimates has a population of four thousand or more inhabitants,
45 the district board shall consist of five members, and for a noncontiguous

1 county island fire district formed pursuant to section 48-851, the board
2 shall consist of five members. The estimate of population by the board of
3 supervisors is conclusive and shall be based on available census information,
4 school attendance statistics, election or voter registration statistics,
5 estimates provided by state agencies or the county assessor, or other
6 information as deemed appropriate by the board of supervisors. If the board
7 of supervisors determines, at any time prior to one hundred twenty days
8 before the next regular scheduled election for members of a district board,
9 that the population of a fire district administered by a district board
10 consisting of three members exceeds four thousand inhabitants, estimated as
11 provided in this section, the board of supervisors shall order an increase in
12 the number of members of the district board. If the board of supervisors
13 determines at any time prior to one hundred eighty days before the next
14 regularly scheduled election for members of a district board that the
15 population of a fire district administered by a district board that consists
16 of five members exceeds fifty thousand inhabitants as prescribed in this
17 section, the board of supervisors shall inform the district board that it may
18 expand to seven members. Any expansion to seven members shall occur by
19 majority vote of the district board. The increase is effective for the
20 election of the additional members at the next regular election of members of
21 the district board.

22 B. If a vacancy occurs on the district board other than from
23 expiration of a term, the remaining board members shall fill the vacancy by
24 appointment of an interim member. If the entire board resigns or for any
25 reason cannot fulfill its duties, the board of supervisors shall appoint an
26 administrator to administer the district with the same duties and obligations
27 of the elected board. If the board of supervisors fails to appoint an
28 administrator within thirty days, a special election shall be held to fill
29 the vacancies on the fire district board.

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

33 D. The board of a fire district shall appoint or hire a fire chief.

34 E. The district board shall elect from its members a chairman and a
35 clerk.

36 ~~F. Of the members first elected to district boards consisting of three~~
37 ~~members, the two people receiving the first and second highest number of~~
38 ~~votes shall be elected to four-year terms, and the person receiving the third~~
39 ~~highest number of votes shall be elected to a two-year term. Of the members~~
40 ~~first elected to district boards consisting of five members, the three people~~
41 ~~receiving the first, second and third highest number of votes shall be~~
42 ~~elected to four-year terms, and the two people receiving the fourth and fifth~~
43 ~~highest number of votes shall be elected to two-year terms. Thereafter, the~~
44 ~~term of office of each district board member shall be four years from the~~
45 ~~first day of the month next following such member's election. Of the members~~

~~1 elected as additional members to a five member district board, the person
2 with the highest number of votes is elected to a four year term and the
3 person with the second highest number of votes is elected to a two year term.~~

4 F. If a district resolves to increase the governing board to seven
5 members pursuant to subsection A OF THIS SECTION, the governing board may
6 appoint two additional members to serve until the next general election.
7 After the general election at which the two additional members are elected,
8 the newly elected member with the highest number of votes serves a four-year
9 term and the other member serves a two-year term. Thereafter, the term of
10 office for these two new members is four years.

11 G. FOR ANY FIRE DISTRICT ADMINISTERED BY A THREE-MEMBER BOARD AND THAT
12 LEVIES TAXES IN A FISCAL YEAR IN THE AMOUNT OF FIVE HUNDRED THOUSAND DOLLARS
13 OR MORE, THE DISTRICT SHALL BE ADMINISTERED BY A FIVE-MEMBER BOARD, BEGINNING
14 WITH THE FIRST GENERAL ELECTION HELD AFTER THE END OF THE FISCAL YEAR IN
15 WHICH THE DISTRICT LEVIED THE PRESCRIBED AMOUNT, THE CHANGE TO A FIVE-MEMBER
16 BOARD SHALL OCCUR AS PRESCRIBED IN THIS SUBSECTION. ON LEVYING THE
17 PRESCRIBED AMOUNT, THE DISTRICT MAY NOT REORGANIZE AS A THREE-MEMBER BOARD
18 REGARDLESS OF ANY SUBSEQUENT CHANGE IN THE DISTRICT'S LEVY. FOR THREE-PERSON
19 BOARDS WITH A SINGLE VACANCY FOR AN EXISTING BOARD MEMBERSHIP POSITION AND
20 THAT ARE ADDING TWO ADDITIONAL MEMBERS, THE THREE PERSONS WITH THE HIGHEST
21 NUMBER OF VOTES ARE ELECTED TO A FOUR-YEAR TERM OF OFFICE. FOR THREE-PERSON
22 BOARDS WITH TWO VACANCIES FOR EXISTING BOARD MEMBERSHIP POSITIONS AND THAT
23 ARE ADDING TWO ADDITIONAL MEMBERS, THE THREE PERSONS WITH THE FIRST, SECOND
24 AND THIRD HIGHEST NUMBERS OF VOTES ARE ELECTED TO FOUR-YEAR TERMS OF OFFICE
25 AND THE PERSON WITH THE FOURTH HIGHEST NUMBER OF VOTES IS ELECTED TO A
26 TWO-YEAR TERM OF OFFICE. THEREAFTER, ALL TERMS OF OFFICE FOR MEMBERS OF
27 THESE FIVE-PERSON BOARDS OF DIRECTORS MUST BE FOUR YEARS. THIS SUBSECTION
28 APPLIES TO ANY THREE-MEMBER BOARD THAT IS EXPANDING TO A FIVE-MEMBER BOARD,
29 REGARDLESS OF WHETHER THE EXPANSION IS THE RESULT OF THE AMOUNT OF THE
30 DISTRICT'S LEVY.

31 Sec. 5. Section 48-804, Arizona Revised Statutes, is amended to read:
32 48-804. District administered by elected chief and
33 secretary-treasurer

34 ~~A. Until the first term of office that commences immediately after the
35 next regular election for that fire district after the effective date of this
36 amendment to this section, a district which the board of supervisors
37 estimates has a population of fewer than four thousand inhabitants may be
38 administered by an elected chief and secretary-treasurer. Upon organization
39 of a fire district administered by an elected chief and secretary-treasurer
40 or reorganization of a fire district administered by a district board as a
41 district administered by an elected chief and secretary-treasurer, the
42 elected chief and secretary-treasurer shall serve until the qualification of
43 their successors at the next election held as provided in section 48-802,
44 subsection D, paragraph 3. Thereafter, the elected chief and~~

1 ~~secretary treasurer shall serve terms of four years from the first day of the~~
2 ~~month next following their election.~~

3 ~~B. If a vacancy occurs in the office of elected chief or~~
4 ~~secretary treasurer other than from expiration of a term, the board of~~
5 ~~supervisors shall fill the vacancy by appointment of an interim chief or~~
6 ~~secretary treasurer. If the board of supervisors fails to appoint a~~
7 ~~replacement within thirty days, a special election shall be held to fill the~~
8 ~~vacancy.~~

9 ~~C. The secretary treasurer is responsible for keeping records of all~~
10 ~~meetings of the district.~~

11 ~~D.~~ A. Beginning with the first term of office that commences
12 immediately after the next regular election for that fire district after ~~the~~
13 ~~effective date of this amendment to this section~~ JULY 29, 2010, all districts
14 that are administered by an elected chief and secretary-treasurer shall be
15 administered by a three-member elected board of directors or a five-member
16 elected board of directors as provided in section 48-803, subsection A and
17 the ~~position~~ POSITIONS of elected chief and elected secretary-treasurer no
18 longer exist for that district and have no legal or administrative authority
19 for and in the district. Persons elected to a three-member board of
20 directors or a five-member board of directors pursuant to this subsection
21 shall be designated to serve staggered terms of four years, with the initial
22 terms of office for the three-member board or five-member board determined as
23 prescribed in section 48-803, subsection ~~F.~~ G. Thereafter, all terms of
24 office for members of these three-person or five-person boards of directors
25 shall be four years.

26 ~~E.~~ B. Beginning ~~on the effective date of this amendment to this~~
27 ~~section~~ JULY 29, 2010, no new fire district may be established with an
28 elected chief and secretary-treasurer and no existing fire district may be
29 reorganized into a district with an elected chief and secretary-treasurer.

30 Sec. 6. Section 48-851, Arizona Revised Statutes, is amended to read:

31 48-851. Noncontiguous county island fire district; formation;
32 definition

33 A. A noncontiguous county island fire district shall be formed by the
34 following procedures:

35 1. One or more persons who wish to petition for a noncontiguous county
36 island fire district shall request and the county assessor shall provide a
37 map and a detailed list of all property parcels that includes the assessed
38 values of all of the county island areas that are contained within the
39 municipal planning area of a city ~~or other unincorporated area as prescribed~~
40 ~~in subsection E, paragraph 2 of this section.~~

41 2. Within sixty days after receiving a map from the county assessor,
42 the person shall submit a revised map that indicates those county island
43 areas that are proposed to be included in the noncontiguous county island
44 fire district and shall submit a district impact statement that shall contain
45 at least the following:

1 (a) A general description of the boundaries of the proposed district,
2 a map of the area to be included in the district and a list of the parcels to
3 be included in the district by assessor parcel number.

4 (b) An estimate of the assessed valuation within the proposed
5 district.

6 (c) An estimate of the change in the property tax liability, as a
7 result of the proposed district, of a typical resident of the proposed
8 district.

9 (d) A list and explanation of benefits that will result from the
10 proposed district.

11 (e) A list and explanation of the injuries that will result from the
12 proposed district.

13 (f) The names, addresses and occupations of the three proposed members
14 of the district's organizing board of directors.

15 (g) A description of the scope of services to be provided by the
16 district during its first five years of operation.

17 3. On receipt of the revised map and the impact statement, the board
18 of supervisors shall set a day for a hearing on the proposed district
19 formation not more than sixty days from the date the map and impact statement
20 are received.

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

35 5. At the hearing called pursuant to paragraph 3 of this subsection,
36 the board of supervisors shall hear those who appear for and against the
37 proposed district and shall determine whether the creation of the district
38 will promote public health, comfort, convenience, necessity or welfare. If
39 the board of supervisors determines that the public health, comfort,
40 convenience, necessity or welfare will be promoted, it shall authorize the
41 persons proposing the district to circulate petitions as provided in this
42 subsection. The order of the board of supervisors shall be final, but if the
43 request to circulate petitions is denied, a subsequent request for a similar
44 district may be refiled with the board of supervisors after six months from
45 the date of the denial.

1 6. Within fifteen days after receiving the approval of the board of
2 supervisors as prescribed by paragraph 5 of this subsection, the clerk of the
3 board shall:

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

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

9 7. After receiving the approval of the board of supervisors as
10 provided in paragraph 5 of this subsection, any adult person may circulate
11 and present petitions to the board of supervisors of the county in which the
12 district is located. All petitions circulated shall be returned to the board
13 of supervisors within one year from the date of the approval of the board of
14 supervisors pursuant to paragraph 5 of this subsection. Any petition that is
15 returned more than one year from that date is void. ~~On authorization of the
16 board of supervisors to circulate petitions, the organizing board of the
17 district established pursuant to this subsection may enter into written
18 agreements with third parties to provide services related to the formation of
19 the district that may include the cost of circulating petitions and
20 associated expenses, but in no event may the cost of reimbursable expenses
21 exceed fifteen dollars per parcel. The district shall reimburse third
22 parties subject to the successful formation of the district and on receipt of
23 secondary property tax revenues by the district.~~

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

27 (a) At all times, contain a general description of the boundaries of
28 the proposed district, the assessor's map of the proposed district and the
29 names, addresses and occupations of the proposed members of the district's
30 organizing board of directors. No alteration of the proposed district shall
31 be made after receiving the approval of the board of supervisors as provided
32 in paragraph 5 of this subsection.

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

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

38 10. Before the hearing called pursuant to paragraph 9 of this
39 subsection, the board of supervisors shall determine the validity of the
40 petition signatures presented. At the hearing called pursuant to paragraph 9
41 of this subsection, the board of supervisors, if the petitions are valid,
42 shall order the formation of the district. The board of supervisors shall
43 enter its order setting forth its determination in the minutes of the
44 meeting, not later than ten days from the day of the hearing, and a copy of
45 the order shall be filed in the county recorder's office. The order of the

1 board of supervisors shall be final, and the proposed district is formed
2 thirty days after the board of supervisors votes to form the district. A
3 decision of the board of supervisors under this subsection is subject to
4 judicial review under title 12, chapter 7, article 6.

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

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

14 D. A district organized pursuant to this section shall have an
15 organizing board of directors to administer the affairs of the district until
16 a duly constituted board of directors is elected as provided in this title.
17 The organizing board shall have all the powers, duties and responsibilities
18 of an elected board. The organizing board shall consist of the three
19 individuals named in the petitions presented pursuant to subsection A of this
20 section. If a vacancy occurs on the organizing board, the remaining board
21 members shall fill the vacancy by appointing an interim member. Members of
22 the organizing board shall serve without compensation but may be reimbursed
23 for actual expenses incurred in performing their duties. The organizing
24 board shall elect from its members a chairperson and a clerk. For any
25 challenge to the formation of the district, the district board is a proper
26 party to the challenge and any petition circulators are not proper parties.

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

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

34 ~~(b)~~ 2. Fire protection services are not funded pursuant to section
35 48-807 at the time of the district's formation.

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

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

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

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

3 Sec. 7. Section 48-853, Arizona Revised Statutes, is amended to read:

4 48-853. District board; powers and duties; intergovernmental
5 agreements; contract; administration; definition

6 A. A fire district formed pursuant to this article, through its board
7 shall:

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

10 2. Prepare an annual budget that contains detailed estimated
11 expenditures for each fiscal year and that clearly shows expenses of the
12 district. The budget shall be posted in three public places and published in
13 a newspaper of general circulation in the district twenty days before a
14 public hearing at a meeting called by the board to adopt the budget. The
15 budget shall be posted in a prominent location on the official website no
16 later than seven business days after the estimates of revenues and expenses
17 are tentatively adopted. A complete copy of the approved estimates of
18 revenues and expenses shall be posted in a prominent location on the official
19 website no later than seven business days after final adoption. Copies of
20 the budget shall also be available to members of the public on written
21 request to the district. Following the public hearing, the district board
22 shall adopt a budget. Both the tentatively adopted estimates of revenues and
23 expenses and the budget finally adopted under this section shall be retained
24 and accessible in a prominent location on the official website for at least
25 sixty months.

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

28 4. Maintain and store all permanent public records in an electronic
29 media or digital imaging format according to standards for the storage of
30 permanent public records established by the director of the Arizona state
31 library, archives and public records. The director of the Arizona state
32 library, archives and public records shall approve an acceptable electronic
33 media or digital imaging format for the district. The county in which the
34 district is located shall maintain an official copy of the permanent public
35 records of the district. The copy of the permanent public records shall be
36 provided to the county by the district annually no later than ninety days
37 after the end of the fiscal year.

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

41 6. Adopt the fire code of the municipality whose municipal planning
42 area includes the district except that the fire district's authority to
43 conduct inspections shall apply only to commercial and industrial properties
44 and shall not apply to residential properties.

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

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

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

9 ~~(a) If the district is formed pursuant to section 48-851,~~
10 ~~subsection E, paragraph 1,~~ Enter into an intergovernmental agreement with a
11 municipal provider for fire protection services for the district. A
12 municipal provider seeking to enter into an agreement with the district
13 ~~formed pursuant to section 48-851, subsection E, paragraph 1~~ shall make a
14 formal expression of intent to enter into an agreement with the district
15 within twenty-one days of district formation.

16 ~~(b) If the district is formed pursuant to section 48-851,~~
17 ~~subsection E, paragraph 2, enter into a contract with a private fire~~
18 ~~protection service provider for the district. The private fire protection~~
19 ~~service provider seeking to enter into a contract with the district shall~~
20 ~~make a formal expression of intent within twenty-one days of district~~
21 ~~formation to enter into the contract with the district. If the private fire~~
22 ~~protection service provider makes a formal expression of intent to enter into~~
23 ~~a contract with the district, the provider shall have a right of first~~
24 ~~refusal to contract with the district on terms established by the district~~
25 ~~pursuant to subdivision (c) of this paragraph.~~

26 ~~(e)~~ (b) Issue a request for proposals for nonmunicipal private
27 providers of fire protection services for the district ~~if the current private~~
28 ~~provider fails to notify the district of its intention to enter into a~~
29 ~~contract with the district or for any contract to be awarded pursuant to~~
30 ~~subdivision (b) of this paragraph.~~ Notwithstanding any other law, municipal
31 annexation shall not be undertaken during the term of any contract entered
32 into between the district and a private fire service provider, except that in
33 the one hundred eighty day period before the end of the contract, the
34 municipality shall notify the residents of the opportunity to annex into the
35 municipality. A resident shall notify the district and the municipality
36 within ninety days before the end of the contract that the resident is
37 annexing into the municipality and shall complete the annexation within ten
38 days after the completion of the contract. If no district residents notify
39 the municipality that the resident is annexing, the district may renew the
40 contract automatically. If a resident proposes to annex into the
41 municipality, the district shall issue a request for proposals again as
42 prescribed in this subdivision.

43 ~~(d)~~ (c) Before applying this subdivision, request an independent
44 review by the county attorney of the negotiations, if any, that were
45 conducted as prescribed in subdivision (a) of this paragraph and the request

1 for proposals and resulting bids. After the independent review, the county
 2 attorney shall certify whether the negotiations and proposals were based on
 3 commercially reasonable assumptions. If the county attorney certifies that
 4 any one or more of the provisions are not commercially reasonable, the
 5 district and the other party to the negotiations have ten days to cure and
 6 continue negotiations before resubmitting information on the negotiations and
 7 proposals to the county attorney for certification. Notwithstanding any
 8 other law, the county attorney shall have access to sealed bids for purposes
 9 of this subdivision. The county attorney shall review and issue a
 10 certification pursuant to this subdivision within thirty days after the
 11 information and documents regarding negotiations and proposals are submitted
 12 to the county attorney. If a fire district ~~as defined in section 48-851,~~
 13 ~~subsection E, paragraph 1~~ does not enter into an intergovernmental agreement
 14 pursuant to subdivision (a) of this paragraph or enter into a contract
 15 pursuant to subdivision ~~(e)~~ (b) of this paragraph, the surrounding
 16 municipality shall provide fire protection and emergency medical services
 17 except for services regulated pursuant to title 36, chapter 21.1 in the
 18 district immediately on request by the district, following final
 19 certification by the county attorney. The municipality shall be compensated
 20 by the district as follows:

21 (i) A three person board shall set the secondary property tax rate for
 22 the district. The district shall appoint one person to the board, the
 23 surrounding municipality shall appoint one person to the board, and the two
 24 appointees shall agree on a third person for the board. If the two
 25 appointees cannot agree on a third appointee within five days after the two
 26 persons are appointed, the county board of supervisors shall appoint the
 27 third person to the board.

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

30 (iii) The district shall levy the tax at the rate as determined by the
 31 three person board and the tax shall be collected as other property taxes are
 32 collected. On receipt of monies from the property tax levied, the district
 33 shall reimburse the county for the costs associated with the formation of the
 34 district, including administrative expenses.

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

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

- 40 (a) A term of duration between three and five years.
- 41 (b) A provision setting forth the cost of service and performance
 42 criteria.
- 43 (c) An acknowledgment of the right of the municipality to determine
 44 the location of future infrastructure if the district is in the
 45 municipality's planning area at the time of the execution of the contract.

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

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

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

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

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

22 2. Retain a certified public accountant to perform an annual audit of
23 district books.

24 3. Retain private legal counsel.

25 4. Sue and be sued.

26 5. Accept gifts, contributions, bequests and grants and comply with
27 any requirements of such gifts, contributions, bequests and grants not
28 inconsistent with this article.

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

32 7. Expand its boundaries pursuant to the requirements of section
33 48-262 to include unincorporated parcels within a ~~city~~ CITY'S or a town's
34 municipal planning area with the permission of the city or town.

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

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

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

4 F. If a district formed under section 48-851 agrees to provide fire
5 and emergency medical services in a county island where a private provider of
6 fire or emergency services has facilities and provides fire service, or where
7 the private provider is the closest responding fire service provider, the
8 district and the private provider shall enter into an agreement covering the
9 roles and relationships regarding mutual aid or backup and any services for
10 which the district wishes to contract. The agreement shall include an
11 allocation of the district's property tax revenues to the municipal
12 contractor ~~and~~ or the private provider, **OR BOTH**, based on the proportionate
13 share of the fire services each contractor will provide to the district. The
14 agreement shall be executed before the district begins providing service in
15 the county island. If an agreement is not reached within ninety days after
16 the district requests the private provider to establish a plan, either party
17 may request that the matter be arbitrated pursuant to title 12, chapter 21.

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

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

25 Sec. 8. Approved petitions for fire district formation;
26 reimbursement

27 Notwithstanding section 48-851, subsection A, paragraph 7, Arizona
28 Revised Statutes, as amended by this act, for any petition approved for
29 circulation by the county board of supervisors before the effective date of
30 this act, an organizing board may lawfully reimburse third parties for
31 agreed-upon services relating to the formation of the district that may
32 include reimbursement of expenses of not more than fifteen dollars per
33 parcel.

34 Sec. 9. Emergency

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