

State of Arizona  
House of Representatives  
Fifty-second Legislature  
First Regular Session  
2015

**CHAPTER 236**  
**HOUSE BILL 2162**

AN ACT

AMENDING SECTIONS 48-820 AND 48-822, ARIZONA REVISED STATUTES; ESTABLISHING A RURAL FIRE DISTRICT JOINT LEGISLATIVE STUDY COMMITTEE; 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 48-820, Arizona Revised Statutes, is amended to  
3 read:

4 48-820. Election to merge fire districts; notice; hearing;  
5 approval; joint meeting; merged district board

6 A. Except as provided in subsection K of this section, the board of  
7 supervisors shall make an order calling for an election to decide whether to  
8 merge fire districts when a resolution for merger from each district is  
9 submitted to the board. The board of supervisors shall not make an order  
10 calling for an election to merge fire districts more frequently than once  
11 every two years. Whether or not the districts are merged, the fire districts  
12 shall reimburse the counties for the expenses of the election, including the  
13 cost of mailing any notices required pursuant to this section. If the  
14 proposed district is located in more than one county, the resolutions shall  
15 be submitted to the board of supervisors of the county in which the majority  
16 of the assessed valuation of the proposed district is located. The words  
17 appearing on the ballot shall be "(insert fire districts' names) merge as a  
18 fire district--yes" and "(insert fire districts' names) merge as fire  
19 district--no."

20 B. Except for a district organized pursuant to article 3 of this  
21 chapter, at least six days but not more than twenty days after the election,  
22 the board of supervisors shall meet and canvass the returns, and if it is  
23 determined that a majority of the votes cast at the election in each of the  
24 affected districts is in favor of merging the fire districts, the board shall  
25 enter that fact on its minutes.

26 C. For a district organized pursuant to article 3 of this chapter,  
27 within fourteen days after the election, the board of supervisors shall meet  
28 and canvass the returns, and if it is determined that a majority of the votes  
29 cast at the election in each of the affected districts is in favor of merging  
30 the fire districts, the board shall enter the fact on its minutes.

31 D. Except as prescribed in subsection E of this section, two or more  
32 fire districts may merge if the governing body of each affected fire  
33 district, by a majority vote of the members of each governing body, adopts a  
34 resolution declaring that a merger be considered and a public hearing be held  
35 to determine if a merger would be in the best interests of the district and  
36 would promote public health, comfort, convenience, necessity or welfare.  
37 After each district adopts such a resolution, the governing body by first  
38 class mail shall send written notice of the resolution, its purpose and  
39 notice of the day, hour and place of a hearing on the proposed merger to each  
40 owner of taxable property within the boundaries of the district. The notice  
41 shall contain the name and description of the boundaries of each district  
42 proposed to be merged and a detailed, accurate map of the area to be included  
43 in the merger. The notice also shall contain an estimate of the assessed  
44 value of the merged district, the estimated change in property tax liability  
45 for a typical resident of the proposed merged district and a list of the

1 benefits and injuries that may result from the proposed merged district. No  
2 new territory may be included as a result of the merger.

3 E. A noncontiguous county island fire district formed pursuant to  
4 section 48-851 shall not merge with a fire district formed pursuant to  
5 section 48-261.

6 F. The clerk of the governing body shall post notice in at least three  
7 conspicuous public places in the district and shall also publish notice twice  
8 in a daily newspaper of general circulation in the county in which the  
9 district is located, at least ten days before the public hearing. The clerk  
10 of each governing body affected by the proposed merger shall also mail notice  
11 and a copy of the resolution in support of considering the merger to the  
12 chairman of the board of supervisors of the county or counties in which the  
13 affected districts are located. The chairman of the board of supervisors  
14 shall order a review of the proposed merger and shall submit written comments  
15 to the governing body of each fire district located in that county within ten  
16 days after receipt of the notice.

17 G. At the hearing, each governing body of the district shall consider  
18 the comments of the board of supervisors, hear those persons who appear for  
19 or against the proposed merger and determine whether the proposed merger will  
20 promote public health, comfort, convenience, necessity or welfare. If, after  
21 the public hearing each of the governing bodies of the districts affected by  
22 the proposed merger adopt a resolution by a majority vote that the merger  
23 will promote public health, comfort, convenience, necessity or welfare, each  
24 of the governing bodies of the districts affected by the proposed merger  
25 shall submit to the board of supervisors the resolutions that call for an  
26 election.

27 H. Before considering any resolution of merger pursuant to this  
28 section, a governing body shall obtain written consent to the merger from any  
29 single taxpayer residing within each of the affected districts who owns  
30 thirty per cent or more of the net assessed valuation of the total net  
31 assessed valuation of the district. If written consent contemplated by this  
32 subsection is not obtained, subsections A and B apply, and the merger may  
33 only be accomplished by election.

34 I. If the merger is approved as provided by subsection B or K of this  
35 section, within thirty days after the approval, the governing body of the  
36 affected district with the largest population shall call a joint meeting of  
37 the governing bodies of all of the affected districts. At the joint meeting,  
38 a majority of the members of the governing body of each affected district  
39 constitutes a quorum for the purpose of transacting business. The members of  
40 the governing body shall appoint a total of five persons from those currently  
41 serving on the governing bodies who shall complete their regular terms of  
42 office, except that no more than three of the persons appointed may serve  
43 terms that end in the same year. No more than three members shall be  
44 appointed from the same fire district board. Subsequent terms of office for  
45 district board members shall be filled by election of board members who shall  
46 be qualified electors of the merged district.

1 J. The appointed governing body shall immediately meet and organize  
2 itself and elect from its members a chairman and a clerk. The appointed  
3 board by resolution shall declare the districts merged and each affected  
4 district joined. The governing board by resolution shall declare the name of  
5 the newly merged fire district. The resolution and the names of the new  
6 board members for the newly organized district shall be sent to the board of  
7 supervisors, and the districts are merged effective thirty days after the  
8 adoption of the resolution.

9 K. If the requirements of subsection H of this section are met and  
10 each of the governing body votes required by subsections D and G of this  
11 section are unanimous, the following apply:

12 1. The governing bodies of each district may choose to merge by  
13 unanimous resolution without an election and subsections A and B of this  
14 section do not apply.

15 2. The governing bodies of each district may choose to hold an  
16 election on the question of merger and subsections A and B of this section  
17 apply.

18 L. IF THE MERGER IS APPROVED PURSUANT TO SUBSECTION B OR K OF THIS  
19 SECTION, THE GOVERNING BODY OF THE NEWLY MERGED DISTRICT MAY ADOPT A  
20 NATIONALLY RECOGNIZED FIRE CODE WITH THE APPROVAL OF THE STATE FIRE MARSHAL  
21 AND AFTER A HEARING HELD PURSUANT TO POSTED AND PUBLISHED NOTICE AS  
22 PRESCRIBED BY SECTION 48-805.02, SUBSECTION A. THE DISTRICT SHALL KEEP A  
23 COPY OF THE ADOPTED FIRE CODE ON FILE FOR PUBLIC INSPECTION.

24 Sec. 2. Section 48-822, Arizona Revised Statutes, is amended to read:

25 48-822. Election to consolidate fire districts; resolution;  
26 hearing

27 A. Except as provided in subsection E of this section, the board of  
28 supervisors shall make an order calling for an election to decide whether to  
29 consolidate fire districts when a resolution for consolidation of fire  
30 districts from each district is submitted to the board of supervisors. The  
31 board of supervisors shall not make an order calling for an election to  
32 consolidate fire districts more frequently than once every two years.  
33 Whether or not the districts are consolidated, the fire districts shall  
34 reimburse the counties for the expenses of the election, including the cost  
35 of mailing any notices. If the proposed district is located in more than one  
36 county, the resolutions shall be submitted to the board of supervisors of the  
37 county in which the majority of the assessed valuation of the proposed  
38 district is located. The words appearing on the ballot shall be "(insert  
39 fire districts' names) consolidate as a fire district--yes" and "(insert fire  
40 districts' names) consolidate as fire district--no."

41 B. Within fourteen days after the election, the board of supervisors  
42 shall meet and canvass the returns, and if it is determined that a majority  
43 of the votes cast at the election in each of the affected districts is in  
44 favor of consolidating the fire districts, the board shall enter that fact on  
45 its minutes.

1 C. Except as proscribed by subsection D of this section, a fire  
2 district may consolidate with one or more other fire districts formed  
3 pursuant to section 48-261 as follows:

4 1. A resolution requesting the consolidation of a fire district is  
5 passed by a majority vote of the governing body requesting consolidation into  
6 another fire district. The requesting district shall send by first class  
7 mail the notice of request to consolidate districts to the fire district in  
8 which the consolidation is requested.

9 2. On receipt of the resolution requesting consolidation, and on  
10 approval by majority vote of the governing body receiving the request, two or  
11 more fire districts may consolidate if the governing body of each affected  
12 fire district by a majority vote of the members of each governing body adopts  
13 a resolution declaring that a consolidation be considered and a public  
14 hearing be held to determine if a consolidation would be in the best interest  
15 of the districts and would promote the public health, comfort, convenience,  
16 necessity or welfare. After each district adopts such a resolution, the  
17 governing body by first class mail shall send written notice of the  
18 resolution, its purpose and notice of the day, hour and place of a hearing on  
19 the proposed consolidation to each owner of taxable property within the  
20 boundaries of the district. The notice shall contain the name and  
21 description of the boundaries of each district that is proposed to be  
22 consolidated and a detailed, accurate map of the area to be included in the  
23 consolidation. The notice also shall contain an estimate of the assessed  
24 value of the consolidated district, the estimated change in the property tax  
25 liability for a typical resident of the proposed consolidated district and a  
26 list of the benefits and injuries that may result from the proposed  
27 consolidated district. No new territory may be included as a result of the  
28 consolidation.

29 3. The clerk of the governing body of the fire districts affected by  
30 the proposed consolidation shall post notice in at least three conspicuous  
31 public places in the district and also shall publish notice twice in a daily  
32 newspaper of general circulation in the county in which the district is  
33 located at least ten days before the public hearing. The clerk of each  
34 governing body affected by the proposed consolidation shall also mail notice  
35 and a copy of the resolution in support of considering consolidation to the  
36 chairman of the board of supervisors of the county or counties in which the  
37 affected districts are located. The chairman of the board of supervisors  
38 shall order a review of the proposed consolidation and shall submit written  
39 comments to the governing body of each fire district located in the county  
40 within ten days after receipt of the notice.

41 4. At the hearing, the governing body of the district shall consider  
42 the comments of the board of supervisors, hear those persons who appear for  
43 or against the proposed consolidation and determine whether the proposed  
44 consolidation will promote the public health, comfort, convenience, necessity  
45 or welfare. If, after the public hearing, each of the governing bodies of  
46 the districts affected by the proposed consolidation adopt a resolution by a

1 majority vote that the consolidation will promote the public health, comfort,  
2 convenience, necessity or welfare, each of the governing bodies of the  
3 districts affected by the proposed consolidation shall submit the resolutions  
4 calling for an election to the board of supervisors.

5 5. If the proposal for consolidation is approved as provided in  
6 subsections A and B of this section, the governing body of the district into  
7 which consolidation was requested shall by resolution declare the district  
8 consolidated and each affected district joined. Those persons currently  
9 serving as the governing body of the district into which consolidation was  
10 requested shall serve as the governing body of the newly consolidated  
11 district and complete their regular terms of office. The newly consolidated  
12 district governing body shall consist of at least five members.

13 6. If the consolidation results in a new district population that is  
14 greater than fifty thousand persons, the new governing board may appoint an  
15 additional two members to serve until the next general election at which time  
16 the newly elected member with the highest number of votes serves a four year  
17 term and the other member serves a two year term. Thereafter, the term of  
18 office for these two new members is four years.

19 7. The governing body by resolution shall declare the name of the  
20 newly consolidated fire district.

21 8. If a proposed consolidated district would include property located  
22 in an incorporated city or town, in addition to the other requirements of  
23 this section, the governing body of the district shall approve the creation  
24 of the consolidated district only if the governing body of the city or town  
25 endorses the creation by ordinance or resolution.

26 9. Before considering any resolution of consolidation pursuant to this  
27 section, a governing body shall obtain written consent to the consolidation  
28 from any single taxpayer residing within each of the affected districts who  
29 owns thirty per cent or more of the net assessed valuation of the total net  
30 assessed valuation of the district.

31 D. A noncontiguous county island fire district formed pursuant to  
32 section 48-851 shall not consolidate with a fire district formed pursuant to  
33 section 48-261.

34 E. If the requirements of subsection C, paragraph 9 of this section  
35 are met and each of the governing body votes required by this section are  
36 unanimous, the following apply:

37 1. The governing bodies of each district may choose to consolidate by  
38 unanimous resolution without an election and subsections A and B of this  
39 section do not apply.

40 2. The governing bodies of each district may choose to hold an  
41 election on the question of consolidation and subsections A and B of this  
42 section apply.

43 F. IF THE CONSOLIDATION IS APPROVED PURSUANT TO SUBSECTION A OR E OF  
44 THIS SECTION, THE ADOPTED FIRE CODE OF THE DISTRICT INTO WHICH THE  
45 CONSOLIDATION WAS REQUESTED SHALL APPLY TO THE ENTIRETY OF THE NEWLY  
46 CONSOLIDATED DISTRICT.

1           Sec. 3. Joint legislative study committee on rural area fire  
2                     district funding and taxation; membership; duties;  
3                     report; delayed repeal

4           A. The joint legislative study committee on rural area fire district  
5 funding and taxation is established consisting of the following members:

6           1. Three members of the senate who are appointed by the president of  
7 the senate, not more than two of whom are members of the same political  
8 party.

9           2. Three members of the house of representatives who are appointed by  
10 the speaker of the house of representatives, not more than two of whom are  
11 members of the same political party.

12           3. A person who is elected to a fire district board within a county  
13 with a population of five hundred thousand persons or more and who is  
14 appointed by the president of the senate.

15           4. A person who is elected to a fire district board within a county  
16 with a population of less than five hundred thousand persons and who is  
17 appointed by the speaker of the house of representatives.

18           5. A representative of a city or town whose fire and emergency medical  
19 services are provided by a fire district and who is appointed by the  
20 president of the senate.

21           6. A representative of an association of counties in this state that  
22 represents the county boards of supervisors and who is appointed by the  
23 speaker of the house of representatives.

24           7. A representative of an association of fire districts in this state  
25 that represents elected fire district board members and who is appointed by  
26 the president of the senate.

27           8. A representative of a firefighter organization in this state and  
28 who is appointed by the speaker of the house of representatives.

29           9. A representative of a taxpayer organization in this state and who  
30 is appointed by the president of the senate.

31           B. The members of the study committee shall select a chairperson of  
32 the study committee from among its membership.

33           C. The study committee shall consider the level of fire safety  
34 services provided to rural areas by fire districts and fire departments,  
35 review taxation levels in various counties, both countywide and in the  
36 unincorporated areas of those counties and review the frequency of mergers  
37 and consolidations of fire districts in rural areas.

38           D. The study committee shall submit a report of the study committee's  
39 findings and any recommendations on or before December 15, 2015 to the  
40 president of the senate, the speaker of the house of representatives and the  
41 governor and provide a copy of this report to the secretary of state.

42           E. This section is repealed from and after December 31, 2015.

43           Sec. 4. Retroactivity

44           Section 48-820, Arizona Revised Statutes, as amended by this act  
45 applies retroactively from and after January 1, 2014.

H.B. 2162

APPROVED BY THE GOVERNOR APRIL 9, 2015.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 10, 2015.