



# HOUSE OF REPRESENTATIVES

HB 2197

fire districts; merger; consolidation

Prime Sponsor: Representative Coleman, LD 16

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**DPA** Committee on Government and Higher Education

**DPA** Caucus and COW

**X** As Transmitted to the Governor

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## OVERVIEW

HB 2197 allows merging or consolidating fire districts (districts) to retain the amount of Fire District Assistance Tax (FDAT) each district received at the time of the merger or consolidation.

## PROVISIONS

1. Specifies the FDAT for any merged or consolidated districts formed in FY 2014 or later is the sum of the average amount received in the five years immediately preceding the merger or consolidation.
2. Requires the county treasurer to pay a consolidated district formed in FY 2014 or later an amount equal to 20% of the property levy if the total amount of FDAT paid to all districts in the county is less than the amount of monies raised by the \$0.10 levy per \$100 of assessed valuation.
3. Allows merged or consolidated districts to continue to receive monies in an amount not to exceed the allowable amount each district received at the time of the merger or consolidation.
4. Prohibits, beginning in Fiscal Year (FY) 2017, a consolidated district from receiving more than the maximum allowed, rather than the current FDAT cap of \$400,000.
5. Contains a retroactive effective date of July 1, 2016.
6. Makes technical and conforming changes.

## CURRENT LAW

The county board of supervisors is required to levy a FDAT not to exceed \$0.10 per \$100 of assessed valuation on the taxable property in the county. The county treasurer must pay each district an amount equal to 20% of the property tax levy adopted by the district for the FY. Beginning FY 2013, a consolidated district is prohibited from receiving more than \$400,000 in FDAT monies. If two or more districts merge to form a consolidated district and the total amount of FDAT received by each district is less than \$400,000, the consolidated district may continue to receive monies until it reaches \$400,000 ([A.R.S. § 48-807](#)).