SB 1556

Introduced by
Senator Tibshraeny

AN ACT

AMENDING SECTIONS 9-955, 11-251.12, 48-261, 48-803 AND 48-805, ARIZONA REVISED STATUTES; AMENDING TITLE 48, CHAPTER 5, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 48-805.01; AMENDING SECTIONS 48-807, 48-820 AND 48-822, ARIZONA REVISED STATUTES; RELATING TO FIRE DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 9-955, Arizona Revised Statutes, is amended to read:

9-955. Officers of board; meetings; procedure for disbursements

A. The board of trustees shall elect from its members the president and secretary of the board for the ensuing year. The city or town treasurer, or the county treasurer, as the case may be, shall be treasurer, except that if the board of trustees of a fire district assumes the responsibility for investing and reinvesting the funds pursuant to section 9-957, subsection B, the board of trustees may elect from its members a treasurer who is responsible for the custody of the cash and securities of the fund and for executing the decisions of the board of trustees with respect to investments, reinvestments, receipts and disbursements.

B. The board shall meet annually and at such other times as the president may direct.

C. The board shall issue orders signed by the president and the secretary to the beneficiaries of the amounts ordered paid to such beneficiaries from the fund stating the conditions of the payment. The board of trustees of a fire fighters' relief and pension fund of a fire district which procures the services of a private fire protection company pursuant to section 48-805, subsection B, paragraph B may pay directly to the board of the fire district an amount each year of not to exceed the cost of the private fire protection company's pension plan but only to the extent monies are available in the fund. The board shall keep a public record of its proceedings. At each regular meeting it shall transmit to the city, town or county treasurer, as the case may be, a written list of all persons entitled to benefits from the fund, stating the reason and amount of the benefits. The list shall be certified and signed by the president and secretary and attested under oath. The treasurer of the city or town, or in the case of unincorporated towns, the county treasurer, shall thereupon enter a copy of the list upon a book kept for that purpose. The fund shall not be disbursed without a majority vote of the members of the board, the vote to be entered upon the minutes.

D. Notwithstanding the provisions of subsections A and C of this section, if the board of trustees of a fire district assumes the responsibility for investing and reinvesting the funds pursuant to section 9-957, subsection B, the duties of the treasurer may be performed by a member of the board elected by the board. If the duties of the treasurer are performed by a member of the board he shall be bonded for an amount determined by the board which amount shall not be less than the maximum amount of funds in the account at any one time during the previous year.
Sec. 2. Section 11-251.12, Arizona Revised Statutes, is amended to read:

11-251.12. **Noncontiguous county islands; fire and emergency services protection; intergovernmental agreement with adjoining municipalities; definitions**

A. A county with a population of more than one million five hundred thousand persons and that has a county island that does not form a county island fire district as prescribed by section 48-261, subsection H shall MAY enter into an intergovernmental agreement with a municipality or municipalities for fire protection and emergency medical services in that county island.

B. Notwithstanding any other law, a county is liable if the county was negligent in enforcing building, zoning or other related codes in a county island and a municipality that has an intergovernmental agreement to provide fire and emergency medical services pursuant to this section is hindered in responding to an emergency because of a building, zoning or other related code issue.

B. If a municipality elects to provide fire and emergency medical services in a county island where a private provider of fire or emergency services already has facilities or provides service, the municipality and the private provider shall enter into an agreement covering the roles and relationships regarding mutual aid or backup agreements and any services for which the municipality wishes to contract and any reimbursement or billing and collection practices. The agreement shall be executed before the municipality commences providing service in the county island. No agreement is required if the private provider notifies the municipality that it will cease service in the county island within one hundred eighty days after the date the municipality commences providing service.

C. **The county in which any property of a fire district is located shall defend, indemnify and hold harmless the provider of fire protection or emergency medical services from and against any claims or expenses to which it may be subjected by reason of injury or death of any person or loss or damage to any property directly attributable to the provision of the services unless the services were provided in a grossly negligent manner.**

D. For the purposes of this article:

1. "County island" means EITHER OF THE FOLLOWING:
   (a) Unincorporated territory that is surrounded on all sides by a municipality. or where the
   (b) Unincorporated territory THAT has borders that involve a- ANY combination of THE FOLLOWING:
      (i) A municipality or municipalities. and
      (ii) An Indian reservation.
      (iii) PUBLICLY OWNED LAND.

2. "Fire service" and "fire protection" include fire prevention, inspection and enforcement.
Sec. 3. Section 48-261, Arizona Revised Statutes, is amended to read:

48-261. District creation; procedures; notice; hearing; determinations; petitions

A. Except for a county island fire district formed pursuant to subsection H of this section, a fire district, community park maintenance district, sanitary district or hospital district for either a hospital or an urgent care center shall be created by the following procedures:

1. Any adult person desiring to propose creation of a district shall prepare and submit a district impact statement to the board of supervisors of the county in which the district is to be located. Except for a proposed community park maintenance district that is to be located in more than one county, if a proposed district is located in more than one county, the impact statement shall be submitted to the board of supervisors of the county in which the majority of the assessed valuation of the proposed district is located. The boards of supervisors of any other counties in which a portion of the district is to be located shall provide information and assistance to the responsible board of supervisors. For a community park maintenance district that is to be located in more than one county, the impact statement shall be submitted to the board of supervisors for each of the affected counties. If the person desiring to create a district pursuant to this section is unable to complete the district impact statement, the board of supervisors may assist in the completion of the impact statement if requested to do so, provided the bond required in subsection C of this section is in an amount sufficient to cover any additional cost to the county. The district impact statement shall contain at least the following information:

   (a) A legal description of the boundaries of the proposed district and a detailed, accurate map of the area to be included in the district.

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

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

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

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

   (f) The names, addresses and occupations of the proposed members of the district’s organizing board of directors.

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

2. On receipt of the district impact statement, the board of supervisors shall set a day, not fewer than thirty nor more than sixty days from that date, for a hearing on the impact statement. The board of
supervisors, at any time prior to making a determination pursuant to paragraph 4 of this subsection, may require that the impact statement be amended to include any information that the board of supervisors deems to be relevant and necessary.

3. Upon receipt of the district impact statement, the clerk of the board of supervisors shall mail, by first class mail, written notice of the statement, its purpose and notice of the day, hour and place of the hearing on the proposed district to each owner of taxable property and to each household in which a qualified elector resides within the boundaries of the proposed district. The clerk of the board of supervisors shall post the notice in at least three conspicuous public places in the area of the proposed district and shall publish twice in a daily newspaper of general circulation in the area of the proposed district, at least ten days before the hearing, or, if no daily newspaper of general circulation exists in the area of the proposed district, then at least twice at any time before the date of the hearing, a notice setting forth the purpose of the impact statement, the description of the area of the proposed district and the day, hour and place of the hearing.

4. At the hearing called pursuant to paragraph 2 of this subsection, the board of supervisors shall hear those who appear for and against the proposed district and shall determine whether the creation of the district will promote public health, comfort, convenience, necessity or welfare. If the board of supervisors determines that the public health, comfort, convenience, necessity or welfare will be promoted, it shall approve the district impact statement and authorize the persons proposing the district to circulate petitions as provided in this subsection. For a community park maintenance district that is required to obtain the approval of more than one county's board of supervisors, the petitions may only be circulated after approval of the board of supervisors from each affected county. The order of the board of supervisors shall be final, but if the request to circulate petitions is denied, a subsequent request for a similar district may be refiled with the board of supervisors after six months from the date of such denial.

5. Within fifteen days after receiving the approval of the board of supervisors as prescribed by paragraph 4 of this subsection, the clerk of the board shall determine the minimum number of signatures required for compliance with paragraph 7, subdivision SUBDIVISIONS (b) and (c) of this subsection. After making that determination, that number of signatures shall remain fixed, notwithstanding any subsequent changes in voter registration records.

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

7. The petitions presented pursuant to paragraph 6 of this subsection
shall comply with the provisions regarding petition form in section 48-265
and verification in section 48-266 and shall:

(a) At all times, contain a legal description of the boundaries of the
proposed district and a detailed, accurate map of the proposed district and
the names, addresses and occupations of the proposed members of the
district's organizing board of directors. No alteration of the proposed
district shall be made after receiving the approval of the board of
supervisors as provided in paragraph 4 of this subsection.

(b) Be signed by more than one-half of the property owners in the area
of the proposed district and be signed by persons owning collectively more
than one-half of the assessed valuation of the property in the area of the
proposed district.

(c) If a petition of qualified electors, be signed by more than
one-half of the qualified electors within the boundaries of the proposed
district.

8. On receipt of the petitions, the board of supervisors shall set a
day, not fewer than ten nor more than thirty days from that date, for a
hearing on the petition.

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

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

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

1. Qualified electors shall be those persons qualified to vote
pursuant to title 16.

2. Property held in multiple ownership shall be treated as if it had
only one property owner, so that the signature of only one of the owners of
property held in multiple ownership is required on the formation petition.
3. The value of property shall be determined as follows:
   (a) In the case of property assessed by the county assessor, values
       shall be the same as those shown on the last assessment roll of the county
       containing such property.
   (b) In the case of property valued by the department of revenue, the
       values shall be those determined by the department in the manner provided by
       law, for municipal assessment purposes. The county assessor and the
       department of revenue, respectively, shall furnish to the board of
       supervisors, within twenty days after such a request, a statement in writing
       showing the owner, the address of each owner and the appraisal or assessment
       value of properties contained within the boundaries of the proposed district
       as described in subsection A of this section.

C. The board of supervisors may require of the person desiring to
   propose creation of a district pursuant to subsection A, paragraph 1 of this
   section a reasonable bond to be filed with the board at the start of
   proceedings under this section. The bond shall be in an amount sufficient to
   cover costs incurred by the county if the district is not finally organized.
   County costs covered by the bond include any expense incurred from completion
   of the district impact statement, mailing of the notice of hearing to
   district property owners and electors, publication of the notice of hearing
   and other expenses reasonably incurred as a result of any requirements of
   this section.

D. If a district is created pursuant to this section, the cost of
   publication of the notice of hearing, the mailing of notices to electors and
   property owners and all other costs incurred by the county as a result of the
   provisions of this section shall be a charge against the district.

E. If a proposed district would include property located within an
   incorporated city or town, in addition to the other requirements of
   subsection A of this section, the board shall approve the creation and
   authorize the circulation of petitions only if the governing body of the city
   or town has by ordinance or resolution endorsed such creation.

F. Except as provided in section 48-805.01 AND SECTION 48-2001, subsection A, the area of a district created pursuant to this section shall
   be contiguous.

G. A district organized pursuant to this section shall have an
   organizing board of directors to administer the affairs of the district until
   a duly constituted board of directors is elected as provided in this title. The
   organizing board shall have all the powers, duties and responsibilities
   of an elected board. The organizing board shall consist of the three
   individuals named in the district impact statement and the petitions
   presented pursuant to subsection A of this section. If a vacancy occurs on
   the organizing board, the remaining board members shall fill the vacancy by
   appointing an interim member. Members of the organizing board shall serve
   without compensation but may be reimbursed for actual expenses incurred in
performing their duties. The organizing board shall elect from its members a chairman and a clerk.

H. For a county island fire district only:

1. Any person may petition the board of supervisors for the county in which the county island fire district is proposed to be located. The petitions shall comply with section 48-265 regarding petition form and shall be verified as prescribed in section 48-266. If the petitions submitted are verified as having the signatures of more than one-half of the aggregate number of owners of all of the real property located in the county islands in the proposed district as prescribed by section 48-805, subsection E, paragraph 1, after a hearing, the board of supervisors may certify the establishment of the county island fire district. The county island fire district shall be governed by a five member elected district board pursuant to section 48-803, but shall be governed initially by a board appointed by the county board of supervisors from among qualified electors of the county. On formation of the district, the surrounding city or town shall provide fire protection services and emergency medical services to the district. The initial appointed board shall schedule an election to be held on the next consolidated election date as prescribed by section 16-204. That election shall be held as otherwise provided by law. The county island fire district board shall also notify the county board of supervisors of the cost of providing fire protection services and emergency medical services for each household or other structure in the district.

2. In any legal action challenging the validity of this subsection or seeking to oppose or enjoin the creation or formation of a district contemplated by this subsection, the following apply:
   (a) The board of supervisors of the county that certified the establishment of the district, after consultation with the district board, may advance funds necessary for the representation of named parties and defense of the action.
   (b) A defendant that is a prevailing party in a legal challenge contemplated by this paragraph shall be awarded its costs and reasonable attorney fees against any party who challenged the validity of this subsection or district formation.

3. Where district formation is contemplated by this subsection, the county in which the district or proposed district is located may enter into an intergovernmental agreement pursuant to title 11, chapter 7, article 3, with the district or proposed district for any purpose not inconsistent with this subsection.

I. H. For the purposes of this section assessed valuation does not include the assessed valuation of property that is owned by a county, this state or the United States government and in the case of multiple ownership of a single parcel of property, any one property owner constitutes the entire ownership interest.
J. For the purposes of this section, "county island fire district" means a fire district that is formed or proposed to be formed only in those unincorporated areas of a single county that are surrounded by a single city or town or that are surrounded by a single city or town in combination with other publicly owned or sovereign land, and in which the existing private fire service provider has issued a notice to the residents of the county island that it plans to discontinue or substantially reduce service.

Sec. 4. Section 48-803, Arizona Revised Statutes, is amended to read:

48-803. District administered by a district board

A. In a district which the board of supervisors estimates has a population of fewer than four thousand inhabitants, the district board may consist of three or five members. In a district which the board of supervisors estimates has a population of four thousand or more inhabitants, the district board shall consist of five members, and for a county island fire district formed pursuant to section 48-261, subsection H 48-805.01, the board shall consist of five members. The estimate of population by the board of supervisors is conclusive and shall be based on available census information, school attendance statistics, election or voter registration statistics, estimates provided by state agencies or the county assessor, or other information as deemed appropriate by the board of supervisors. If the board of supervisors determines, at any time prior to one hundred twenty days before the next regular scheduled election for members of a district board, that the population of a fire district administered by a district board consisting of three members exceeds four thousand inhabitants, estimated as provided in this section, the board of supervisors shall order an increase in the number of members of the district board. If the board of supervisors determines at any time prior to one hundred eighty days before the next regularly scheduled election for members of a district board that the population of a fire district administered by a district board that consists of five members exceeds fifty thousand inhabitants as prescribed in this section, the board of supervisors shall inform the district board that it may expand to seven members. Any expansion to seven members shall occur by majority vote of the district board. The increase is effective for the election of the additional members at the next regular election of members of the district board.

B. If a vacancy occurs on the district board other than from expiration of a term, the remaining board members shall fill the vacancy by appointment of an interim member. If the entire board resigns or for any reason cannot fulfill its duties, the board of supervisors shall appoint an administrator to administer the district with the same duties and obligations of the elected board. If the board of supervisors fails to appoint an administrator within thirty days, a special election shall be held to fill the vacancies on the fire district board.
C. Members of the district board shall serve without compensation, but may be reimbursed for actual expenses incurred in performing duties required by law.

D. Except for a county island THE BOARD OF A fire district formed pursuant to section 48-261, subsection H, the board shall appoint or hire a fire chief.

E. The DISTRICT board shall elect from its members a chairman and a clerk.

F. Of the members first elected to DISTRICT boards consisting of three members, the two people receiving the first and second highest number of votes shall be elected to four-year terms, and the person receiving the third highest number of votes shall be elected to a two-year term. Of the members first elected to DISTRICT boards consisting of five members, the three people receiving the first, second and third highest number of votes shall be elected to four-year terms, and the two people receiving the fourth and fifth highest number of votes shall be elected to two-year terms. Thereafter, the term of office of each DISTRICT board member shall be four years from the first day of the month next following such member's election. Of the members elected as additional members to a five member DISTRICT board, the person with the highest number of votes is elected to a four-year term and the person with the second highest number of votes is elected to a two-year term. If a district resolves to increase the governing board to seven members pursuant to subsection A, the governing board may appoint two additional members to serve until the next general election. After the general election at which the two additional members are elected, the newly elected member with the highest number of votes serves a four-year term and the other member serves a two-year term. Thereafter, the term of office for these two new members is four years.

Sec. 5. Section 48-805, Arizona Revised Statutes, is amended to read:

48-805. Fire district; powers and duties

A. A fire district, through its board or elected chief and secretary-treasurer, shall:

1. Hold public meetings at least once each calendar month.

2. Prepare an annual budget containing detailed estimated expenditures for each fiscal year which shall clearly show salaries payable to employees of the district, including the elected or appointed chief. The budget shall be posted in three public places and published in a newspaper of general circulation in the district thirty days prior to a public hearing at a meeting called by the board or elected chief to adopt the budget. Copies of the budget shall also be available to members of the public upon request to the district. Following the public hearing, the district board or elected chief and secretary-treasurer shall adopt a budget.

3. Determine the compensation payable to district personnel.

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

B. A fire district, through its board or elected fire chief and secretary-treasurer, may:

1. Employ any personnel and provide services deemed necessary for fire protection, for preservation of life and for carrying out its other powers and duties, including providing ambulance transportation services when authorized to do so pursuant to title 36, chapter 21.1, article 2, but a member of a district board, INCLUDING A BOARD OF A FIRE DISTRICT FORMED PURSUANT TO SECTION 48-805.01, shall not be an employee of the district. The merger of two or more fire districts pursuant to section 48-820 or the consolidation with one or more fire districts pursuant to section 48-822 shall not expand the boundaries of an existing certificate of necessity unless authorized pursuant to title 36, chapter 21.1, article 2.

2. Construct, purchase, lease, lease-purchase or otherwise acquire the following or any interest therein and, in connection with such construction or other acquisition, purchase, lease, lease-purchase or grant a lien on any or all of its present or future property, including:
   (a) Apparatus, water and rescue equipment, including ambulances and equipment related to any of the foregoing.
   (b) Land, buildings, equipment and furnishings to house equipment and personnel necessary or appropriate to carry out its purposes.

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

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

5. After the approval of the qualified electors of the fire district voting at a regular district election or at a special election called for such purpose by the district board or the elected chief and secretary-treasurer, as appropriate, or at any election held in the county which encompasses the fire district, adopt the _________ fire code, which is a nationally recognized fire code approved by the state fire marshal. The words appearing upon ON the ballots shall be "Should _________ fire district adopt the _________ fire code, which is a nationally recognized fire code approved by the state fire marshal--yes", "Should _________
fire district adopt the ______________ fire code, which is a nationally
recognized fire code approved by the state fire marshal--no". Such code
shall be enforced by the county attorney in the same manner as any other law
or ordinance of the county. Any inspection or enforcement costs are the
responsibility of the fire district involved. The district shall keep on
file such code which shall be open to public inspection for a period of
thirty days prior to any election for the purpose of adopting a fire code.
Copies of the order of election shall be posted in three public places in the
district not less than twenty days before the date of the election, and if a
newspaper is published in the county having a general circulation in the
district, the order shall be published in the newspaper not less than once a
week during each of the three calendar weeks preceding the calendar week of
the election.

6. Amend or revise the adopted fire code, including replacement of the
adopted fire code with an alternative nationally recognized fire code, with
the approval of the state fire marshal and after a hearing held pursuant to
posted and published notice as prescribed by subsection A, paragraph 2 of
this section. The district shall keep three copies of the adopted code,
amendments and revisions on file for public inspection.

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

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

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

10. Retain private legal counsel.

11. Accept gifts, contributions, bequests and grants and comply
with any requirements of such gifts, contributions, bequests and grants not
inconsistent with this article.

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

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

14. Adopt resolutions for a schedule for financial reimbursement
to taxpayers for installation of certain fire protection systems such as
sprinklers and monitored alarms. Any resolution to offer reimbursements
shall include all of the following:
(a) A nationally recognized analysis of the cost savings to the district by using the fire protection systems.
(b) The specifications of all qualifying systems.
(c) The requirements for claiming reimbursement. The amount of reimbursement offered shall bear a reasonable relationship to the cost savings that accrue to the district as a result of the installation of qualifying systems.
(d) The requirement that the resolution to offer reimbursements expires one year after its adoption unless specifically readopted by the governing board. A resolution to readopt a schedule for financial reimbursement shall additionally include a statement as to the program’s effectiveness. The statement shall include the amount of reimbursements paid to each taxpayer for the installation of the fire protection system.

15. The governing board of a fire district, with the approval of two of the three members of a three member board, four of the five members of a five member board or five of the seven members of a seven member board, may change the district’s name and on so doing shall give written notice to the board of supervisors of the change.

16. Require all employees to submit a full set of fingerprints as prescribed by subsection A, paragraph 4 of this section.

17. Enter into intergovernmental agreements or contracts as follows:
   (a) Enter into an intergovernmental agreement with another political subdivision for technical or administrative services or to provide fire services to the property owned by the political subdivision, including property that is outside the district boundary.
   (b) Enter into a contract with individuals to:
      (i) Provide technical or administrative services.
      (ii) Provide fire protection services OR EMERGENCY MEDICAL SERVICES to property owned by the individual located outside the district boundaries if the individual’s property is not located in a county island as defined in section 11-251.12, and at least one of the following apply:
         (aa) The existing fire service provider where the individual’s property is located has issued a notice to the individual that the provider plans to discontinue service.
         (bb) Fire service is not available to the individual’s property.
         (cc) Fire service is offered pursuant to a contract or subscription and the individual has not obtained service for a period of twenty-four months before the date of the contract with the district.
   (c) Enter into a contract with individuals to provide fire services to property owned by the individual located outside the district boundaries, where the individual’s property is located in a county island as defined in section 11-251.12, if both of the following apply:
      (i) The existing fire service provider where the individual’s property is located has issued a notice to the residents of the county island and the
individual that the provider plans to discontinue or substantially reduce
service.

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

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

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

C. The chairman and clerk of the district board or their respective
designees or the elected chief and secretary-treasurer, as applicable, shall
draw warrants on the county treasurer for money required to operate the
district in accordance with the budget and, as so drawn, the warrants shall
be sufficient to authorize the county treasurer to pay from the fire district
fund.

D. The district shall not incur any debt or liability in excess of
taxes levied and to be collected and the money actually available and
unencumbered at the time in the fund, except as provided in subsection B,
paragraph 2 of this section and in sections 48-806 and 48-807.

E. For a county island fire district formed pursuant to section
48-261, subsection H, the following apply:

1. The district may be formed only in county islands that are located
in an area that is within the 911 service provider district in which the
largest city has a population of more than three hundred ninety-five thousand
persons but less than five hundred thousand persons and that is located
within the municipal planning area of a town with a population of one hundred
thousand or more persons as designated in the land use map of the
municipality's general plan. The district may only be formed if the district
contains all of the county islands that are prescribed in this paragraph and
after compliance with the petition requirements prescribed by section 48-261,
subsection H.

2. The district is authorized only to receive fire protection services
and emergency medical services from the adjacent city or town government or
some other provider of fire protection and emergency medical services. A
county island fire district has no authority to provide fire protection
services or emergency medical services by any method other than as prescribed
by this subsection. The city or town shall charge a reasonable rate to the
county island fire district to recover the costs of the service and excluding
the costs of any awards made pursuant to section 48-261, subsection H,
paragraph 2, and The district board may assess and levy a secondary property
tax pursuant to this article to pay for the costs of the FIRE PROTECTION
SERVICE OR EMERGENCY MEDICAL service. The amount charged by the city or town is limited as follows:

(a) For each residence or commercial building, an amount to buy into service from the city or town. The amount chargeable pursuant to this paragraph is limited to the portion of any new home impact fee being charged by that city or town that is designated for fire protection, and that amount shall be deferred and payable over a three year period.

(b) If additional infrastructure is reasonably necessary to provide service to the county island fire district, the city or town may charge a fee of up to seventy-five dollars per year for each household or other structure for up to five years.

(c) An operation and maintenance charge that is determined by calculating the annual operation and maintenance charge for the city or town and dividing that amount by the sum of the number of households and commercial buildings located in the city or town and the number of households and commercial buildings located in the county island fire district.

(d) Administrative costs of up to five per cent of the annual operating and maintenance costs per year but not more than twenty-five dollars per household or commercial building per year.

3. Within ten business days after the appointment of the board of directors for the district, the district shall issue a request for proposals for providers of fire protection and emergency medical services for the county island fire district. Notwithstanding any other law, the request for proposals is deemed a lawful procurement if the district provides for expedited public notice of the request for proposals, the due date and the terms of the request for proposals. If there are no responsive and qualified bidders on the request for proposals or if the service provider withdraws from its contract, the fire protection and emergency medical services shall be provided by the adjacent city or town. The request for proposals shall provide that the service provider shall be paid not more than the monies prescribed by this subsection and shall also provide for a maximum of thirty days for the receipt of proposals from service providers. The request for proposals shall include the following provisions:

(a) A successful bidder shall post a ten million dollar performance bond, which shall be forfeited if the successful bidder does not fully perform the contract or terminates the contract with less than one year’s notice.

(b) The performance standards for fire protection and emergency services shall conform to those of surrounding municipalities.

(c) Any municipality that bids to provide services is exempt from the performance bond prescribed by subdivision (a) of this paragraph.

(d) Nothing in the request for proposals shall preclude a private fire service provider from submitting and being eligible for a bid for the proposed services.
F. Until formation of a county island fire district is certified by the county board of supervisors, a city or town fire service provider is not liable for any fire protection services for any areas outside of the city's or town's jurisdiction and a city or town has no legal obligation to provide fire protection services to residents of the county who are not located within the boundaries of the city or town.

G. Notwithstanding any other law, a city or town is liable if the city or town is grossly negligent in providing fire or emergency medical services to a county island fire district formed pursuant to this section. For purposes of title 23, chapter 6, for a city or town that provides fire or emergency medical services to a county island fire district pursuant to this section, the providers of those services are acting within the scope of their duties to the city or town while providing those services to a county island fire district and the city or town shall provide workers' compensation coverage to those providers.

H. F. Subsection E of this section does not apply to and a county island fire district cannot be formed pursuant to THIS SECTION SHALL NOT include real property owned by a public service corporation that is regulated by the corporation commission or real property owned by a special taxing district organized pursuant to title 48, chapter 17 OF THIS TITLE.

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

Sec. 6. Title 48, chapter 5, article 1, Arizona Revised Statutes, is amended by adding section 48-805.01, to read:

48-805.01. Noncontiguous county island fire district; powers and duties; definition

A. ANY RESIDENT OF A PROPOSED NONCONTIGUOUS COUNTY ISLAND FIRE DISTRICT MAY PETITION THE BOARD OF SUPERVISORS FOR A COUNTY WITH AT LEAST ONE MILLION FIVE HUNDRED THOUSAND PERSONS TO FORM A NONCONTIGUOUS COUNTY ISLAND FIRE DISTRICT. THE DISTRICT MAY INCLUDE NONCONTIGUOUS COUNTY ISLANDS FOR WHICH FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES ARE NOT FUNDED BY SECTION 48-807 AS OF JANUARY 1, 2007.

SCHEDULE AN ELECTION TO BE HELD ON THE NEXT CONSOLIDATED ELECTION DATE AS
PRESCRIBED BY SECTION 16-204. THE ELECTION SHALL BE HELD AS OTHERWISE
PROVIDED BY LAW.

C. THE DISTRICT BOARD SHALL NOTIFY THE COUNTY BOARD OF SUPERVISORS OF
THE COST OF PROVIDING FIRE PROTECTION SERVICE AND EMERGENCY MEDICAL SERVICE
FOR EACH HOUSEHOLD OR OTHER STRUCTURE IN THE DISTRICT. IF A MUNICIPALITY
PROVIDES FIRE AND EMERGENCY MEDICAL SERVICES TO THE FIRE DISTRICT UNDER
SUBSECTION D OF THIS SECTION, THE MUNICIPALITY SHALL NOTIFY THE COUNTY BOARD
OF SUPERVISORS OF THE COST OF PROVIDING FIRE PROTECTION SERVICE AND EMERGENCY
MEDICAL SERVICE FOR EACH HOUSEHOLD OR OTHER STRUCTURE IN THE DISTRICT.
BEFORE NOTIFYING THE COUNTY BOARD OF SUPERVISORS OF THE COST OF PROVIDING
SERVICE TO THE FIRE DISTRICT, THE MUNICIPALITY MAY DO ANY OF THE FOLLOWING:

1. INSPECT THE COUNTY ISLAND PROPERTY, INCLUDING INSPECTIONS FOR
HAZARDOUS MATERIALS.

2. OBTAIN REPORTS FROM THE UNITED STATES ENVIRONMENTAL PROTECTION
AGENCY AND THE ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY.

3. OBTAIN REPORTS FROM ANY OTHER INDUSTRY THAT IDENTIFIES ANY
HAZARDOUS MATERIALS OR CONDITIONS IN THE FIRE DISTRICT.

D. A DISTRICT FORMED UNDER THIS SECTION SHALL BE ADMINISTERED
ACCORDING TO SECTION 48-803 AND SHALL HAVE ALL THE AUTHORITY, POWERS AND
DUTIES UNDER SECTION 48-805.

E. NOTWITHSTANDING ANY OTHER LAW, THE BOARD OF A FIRE DISTRICT FORMED
UNDER THIS SECTION MAY APPOINT OR HIRE A FIRE CHIEF.

F. A FIRE DISTRICT FORMED UNDER THIS SECTION SHALL ISSUE A REQUEST FOR
PROPOSALS FOR PROVIDERS OF FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES.
IN AWARDING A CONTRACT UNDER THIS SECTION, THE DISTRICT SHALL DEEM A BID
SUBMITTED BY A MUNICIPALITY AS THE BETTER BID THAN A BID SUBMITTED BY A
PRIVATE PROVIDER IF BOTH OF THE FOLLOWING APPLY:

1. ANY PROPERTY OF THE FIRE DISTRICT IS WITHIN THAT MUNICIPALITY’S
GENERAL PLAN.

2. THE BID OF THE PRIVATE PROVIDER IS NOT MORE THAN FIVE PER CENT
LOWER THAN THE MUNICIPALITY’S BID.

G. THIS SECTION DOES NOT PROHIBIT A MUNICIPALITY FROM ENTERING INTO AN
INTERGOVERNMENTAL AGREEMENT WITH ANOTHER MUNICIPALITY OR A PRIVATE PROVIDER
TO PROVIDE FIRE AND EMERGENCY MEDICAL SERVICES TO A FIRE DISTRICT FORMED
UNDER THIS SECTION.

H. IF A DISTRICT FORMED UNDER THIS SECTION AGREES TO PROVIDE FIRE AND
EMERGENCY MEDICAL SERVICES IN A COUNTY ISLAND WHERE A PRIVATE PROVIDER OF
FIRE OR EMERGENCY SERVICES ALREADY HAS FACILITIES OR PROVIDES SERVICE, THE
DISTRICT AND THE PRIVATE PROVIDER MAY ENTER INTO AN AGREEMENT COVERING THE
ROLES AND RELATIONSHIPS REGARDING MUTUAL AID OR BACKUP AND ANY SERVICES FOR
WHICH THE DISTRICT WISHES TO CONTRACT AND ANY REIMBURSEMENT OR BILLING AND
COLLECTION PRACTICES. THE AGREEMENT SHALL BE EXECUTED BEFORE THE DISTRICT
BEGINS PROVIDING SERVICE IN THE COUNTY ISLAND.
I. A CITY OR TOWN THAT PROVIDES FIRE OR EMERGENCY MEDICAL SERVICES PURSUANT TO AN INTERGOVERNMENTAL AGREEMENT WITH A NONCONTIGUOUS COUNTY ISLAND FIRE DISTRICT FORMED UNDER THIS SECTION SHALL PROVIDE THE SERVICE PARTICULAR TO EACH COUNTY ISLAND CONSISTENT WITH THE GEOGRAPHY OF THE COUNTY ISLAND, LOCATION OF FIRE STATIONS, CURRENT INFRASTRUCTURE, WATER ACCESS, STREETS AND BUILDING CODES OF THE COUNTY ISLAND PROPERTY FOR WHICH SERVICE IS PROVIDED.

J. IF A CITY OR TOWN CONTRACTS WITH A FIRE DISTRICT FORMED UNDER THIS SECTION, THE CITY OR TOWN IS LIABLE ONLY IF THE CITY OR TOWN IS GROSSLY NEGLECTFUL IN PROVIDING FIRE OR EMERGENCY MEDICAL SERVICES TO THE FIRE DISTRICT. THE COUNTY IN WHICH THE FIRE DISTRICT IS LOCATED SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE MUNICIPALITY PURSUANT TO SECTION 11-251.12. FOR THE PURPOSES OF TITLE 23, CHAPTER 6, FOR A CITY OR TOWN THAT PROVIDES FIRE OR EMERGENCY MEDICAL SERVICES TO A FIRE DISTRICT FORMED UNDER THIS SECTION, THE PROVIDERS OF THOSE SERVICES ARE ACTING WITHIN THE SCOPE OF THEIR DUTIES TO THE CITY OR TOWN WHILE PROVIDING THOSE SERVICES TO THE FIRE DISTRICT AND THE CITY OR TOWN SHALL PROVIDE WORKERS' COMPENSATION COVERAGE TO THOSE PROVIDERS.

K. THE DISTRICT BOARD MAY ASSESS AND LEVY A SECONDARY PROPERTY TAX PURSUANT TO THIS ARTICLE TO PAY FOR THE COSTS OF FIRE PROTECTION SERVICE OR EMERGENCY MEDICAL SERVICE.

L. A FIRE DISTRICT FORMED UNDER THIS SECTION SHALL NOT INCLUDE REAL PROPERTY OWNED BY A PUBLIC SERVICE CORPORATION THAT IS REGULATED BY THE CORPORATION COMMISSION OR REAL PROPERTY OWNED BY A SPECIAL TAXING DISTRICT THAT IS ORGANIZED PURSUANT TO CHAPTER 17 OF THIS TITLE.

M. THE COUNTY ATTORNEY MAY ADVISE AND REPRESENT THE DISTRICT WHEN IN THE COUNTY ATTORNEY'S JUDGMENT SUCH ADVICE AND REPRESENTATION ARE APPROPRIATE AND NOT IN CONFLICT WITH THE COUNTY ATTORNEY'S DUTIES UNDER SECTION 11-532. IF THE COUNTY ATTORNEY IS UNABLE TO ADVISE AND REPRESENT THE DISTRICT DUE TO A CONFLICT OF INTEREST, THE DISTRICT MAY RETAIN PRIVATE LEGAL COUNSEL OR MAY REQUEST THE ATTORNEY GENERAL TO REPRESENT IT, OR BOTH.

N. FOR THE PURPOSES OF THIS SECTION, "FIRE SERVICE" AND "FIRE PROTECTION" INCLUDE FIRE PREVENTION, INSPECTION AND ENFORCEMENT.

Sec. 7. Section 48-807, Arizona Revised Statutes, is amended to read:

48-807. County fire district assistance tax; annual budget

A. The board of supervisors of a county shall levy, at the time of levying other property taxes, a county fire district assistance tax on the taxable property in the county of not to exceed ten cents per one hundred dollars of assessed valuation. The tax levy provided for in this subsection shall be a levy of secondary property taxes and shall not be subject to title 42, chapter 17, article 2. The county treasurer shall pay to each FIRE district in the county from the proceeds of the tax an amount equal to twenty per cent of the property tax levy adopted by the district, INCLUDING A FIRE DISTRICT FORMED PURSUANT TO SECTION 48-805.01, for the fiscal year in which the tax will be levied, except that:
1. The amount of assistance from the county to a fire district shall be reduced as follows:

(a) By the dollar amount that the fire district receives from the fire district assistance tax that exceeds three hundred thousand dollars from and after June 30 of each fiscal year.

(b) Except as provided in paragraph 2, if the total amount to be paid to all districts in the county under this paragraph exceeds the amount to be raised by the levy of ten cents per one hundred dollars assessed valuation, then the county treasurer shall pay an amount less than twenty per cent of the property tax levy of each district. The amount to be paid by the county treasurer to each district shall be determined by multiplying the proceeds of the county fire district assistance tax against the proportion that twenty per cent of the property tax levy of each district bears to the total of twenty per cent of the property tax levies of all fire districts in the county.

2. For fiscal years beginning from and after July 1, 1992, the amount of assistance from the county to a fire district shall not be less than the assistance provided from and after June 30, 1991 through June 30, 1992, if, for the fiscal year in which the tax will be levied, the district levies a tax, in addition to any tax levied under section 48-806, of three dollars per one hundred dollars of assessed valuation and the assessed valuation is at least ninety per cent of the assessed valuation for the 1991 tax year. This paragraph does not apply to fire districts subject to paragraph 1, subdivision (a).

B. For the purpose of subsection A of this section, the property tax levy of the fire district shall include in lieu contributions pursuant to chapter 1, article 8 of this title but shall not include property tax levies to be applied to the payment of principal and interest on bonds issued pursuant to section 48-806.

C. Notwithstanding subsection A of this section, if two or more fire districts merge to form a consolidated district, the last amount received by each fire district from the fire district assistance tax prior to the merger shall be combined and if the combined amount exceeds three hundred thousand dollars, the consolidated district may continue to receive that amount from the fire district assistance tax.

D. If two or more fire districts merge to form a consolidated district and the total of the amounts received by each fire district from the fire district assistance tax is less than three hundred thousand dollars, the consolidated district may continue to receive monies until its receipts total three hundred thousand dollars, as prescribed in subsection A of this section.

E. Not more than ten days after the perfection of the organization of a fire district, and thereafter not later than August 1 of each year, the chief and the secretary-treasurer of the district, or if there is a district board, the chairman of the board, shall submit to the board of supervisors an
estimate, certified by items, of the amount of money required for the
equipment and maintenance of the district for the ensuing year.

F. The board, based on the budget submitted by the district, shall
levy, in addition to any tax levied as provided in section 48-806, a tax not
to exceed three dollars twenty-five cents per one hundred dollars of assessed
valuation against all property situated within the district boundaries and
appearing upon the last assessment roll. The levy shall be made and the
taxes collected in the manner, at the time and by the officers provided by
law for the collection of general county taxes.

G. The county treasurer shall keep the money received from such taxes
ASSESSED PURSUANT TO SUBSECTION F OF THIS SECTION in a separate fund known as
the “fire district fund” of the town or settlement DISTRICT for which
collected. Any surplus remaining in the fund at the end of the fiscal year
shall be credited to the fire district fund of the town or settlement DISTRICT for which collected for the succeeding fiscal year.

H. When a fire district has adopted a budget and the board of
supervisors has levied a fire district tax as provided in subsection F of
this section and the district has insufficient money in its fund with the
county treasurer to operate the district, the elected chief and the
secretary-treasurer, or if there is a district board, the chairman of the
board, on or after August 1 of each year, may draw warrants for the purposes
prescribed in section 48-805 on the county treasurer, payable on November 1
of that year or on April 1 of the succeeding year. The aggregate amounts of
the warrants may not exceed ninety per cent of the taxes levied by the county
for the district’s current fiscal year. If the treasurer cannot pay a
warrant for lack of funds in the fire district fund, the warrant shall be
endorsed, be registered, bear interest and be redeemed as provided by law for
county warrants, except that the warrants are payable only from the fire
district fund.

Sec. 8. Section 48-820, Arizona Revised Statutes, is amended to read:

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

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

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

C. **EXCEPT AS PRESCRIBED IN SUBSECTION D OF THIS SECTION,** two or more
fire districts may merge if the governing body of each affected fire
district, by a majority vote of the members of each governing body, adopts a
resolution declaring that a merger be considered and a public hearing be held
to determine if a merger would be in the best interests of the district and
would promote public health, comfort, convenience, necessity or welfare.
After each district adopts such a resolution, the governing body by first
class mail shall send written notice of the resolution, its purpose and
notice of the day, hour and place of a hearing on the proposed merger to each
owner of taxable property within the boundaries of the district. The notice
shall contain the name and description of the boundaries of each district
proposed to be merged and a detailed, accurate map of the area to be included
in the merger. No new territory may be included as a result of the merger.

D. **A NONCONTIGUOUS COUNTY ISLAND FIRE DISTRICT FORMED PURSUANT TO**
SECTION 48-805.01 **SHALL NOT MERGE WITH A FIRE DISTRICT FORMED PURSUANT TO**
SECTION 48-261.

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

F. **At the hearing,** the governing body of the district shall
consider the comments of the board of supervisors, hear those persons who
appear for or against the proposed merger and determine whether the proposed
merger will promote public health, comfort, convenience, necessity or
welfare. If, after the public hearing each of the governing bodies of the
districts affected by the proposed merger adopt a resolution by a three-
fourths vote that the merger will promote public health, comfort,
convenience, necessity or welfare, each of the governing bodies of the
districts affected by the proposed merger shall submit the resolutions to the
board of supervisors.
F. Before considering any resolution of merger pursuant to this section, a governing body shall obtain written consent to the merger from any single taxpayer residing within each of the affected districts who owns thirty per cent or more of the net assessed valuation of the total net assessed valuation of the district. If written consent contemplated by this subsection is not obtained, then the provisions of subsections A and B apply, and the merger may only be accomplished by election.

G. If the proposal for merger is approved as provided by subsection B OF THIS SECTION, the governing body of the affected district with the largest population within thirty days shall call a joint meeting of the governing bodies of all of the affected districts. At the joint meeting, a majority of the members of the governing body of each affected district constitutes a quorum for the purpose of transacting business. The members of the governing body shall appoint a total of five persons from those currently serving on the governing bodies who shall complete their regular terms of office, except that no more than three of the persons appointed may serve terms that end in the same year. No more than three members shall be appointed from the same fire district board. Subsequent terms of office for district board members shall be filled by election of board members who shall be qualified electors of the merged district.

H. The appointed governing body shall immediately meet and organize itself and elect from its members a chairman and a clerk. The appointed board by resolution shall declare the districts merged and each affected district joined. The governing board by resolution shall declare the name of the newly merged fire district. The resolution and the names of the new board members for the newly organized district shall be sent to the board of supervisors, and the merger shall be deemed completed thirty days after the adoption of the resolution.

I. If the requirements of subsection F OF THIS SECTION are met and each of the governing body votes required by subsections C and E OF THIS SECTION are unanimous, then subsections A and B OF THIS SECTION shall not apply.

Sec. 9. Section 48-822, Arizona Revised Statutes, is amended to read:

48-822. Election to consolidate fire districts; resolution; impact statement; hearing

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

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

C. **EXCEPT AS PROSCRIBED BY SUBSECTION D OF THIS SECTION,** a fire district may consolidate with one or more other fire districts formed pursuant to section 48-261 as follows:

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

2. On receipt of the resolution requesting consolidation, and on approval by majority vote of the governing body receiving the request, the fire districts by mutual agreement shall prepare a consolidation impact statement that includes the following:
   - A legal description of the boundaries of the proposed consolidated district and a detailed, accurate map of the area to be included in the consolidated district. No new territory may be included as a result of a district consolidation.
   - An estimate of the assessed valuation in the proposed consolidated district.
   - An estimate of the change in the property tax liability of a typical resident of the proposed consolidated district as a result of the proposed consolidated district.
   - A list and explanation of benefits that will result from the proposed consolidated district.
   - A list and explanation of the injuries that will result from the proposed consolidated district.

3. On completion of the consolidation impact statement, the governing body of each fire district shall set a day for a hearing on the impact statement that is not fewer than sixty nor more than ninety days after the date of the completion and approval of the consolidation impact statement. The district governing bodies at any time before making a determination pursuant to paragraph 4-5 of this subsection may require that the impact statement be amended to include any information that the board deems to be relevant and necessary.

4. On setting the date for hearing on the consolidated district impact statement, the clerk of each governing body shall send by first class mail written notice of the statement, its purpose and notice of the day, hour and
place of the hearing on the proposed consolidated district to each owner of
taxable property within the boundaries of the respective fire districts. At
least ten days before the hearing, the clerk of each governing body shall
post the notice in at least three conspicuous public places in the respective
districts and shall publish notice twice in a daily newspaper of general
circulation in the area of the proposed consolidated district.

5. At the hearing called pursuant to paragraph 3 of this subsection,
the governing body shall hear those persons who appear for and against the
proposed consolidated district and shall determine whether the creation of
the district will promote public health, comfort, convenience, necessity or
welfare. If the governing body of each district determines that the public
health, comfort, convenience, necessity or welfare will be promoted, it shall
approve the consolidated district impact statement.

6. Within fifteen days after the approval of the board as prescribed
by paragraph 5 of this subsection, the clerk of the board of the district
requesting consolidation shall send by first class mail notice of the
approval to the fire district in which the consolidation is requested.

7. After receiving the approval of the requesting governing body to
consolidate districts as provided in paragraph 6 of this subsection, the
governing body of the district into which consolidation was requested shall
set a day for a hearing on the consolidation of the districts. The hearing
shall be held not fewer than thirty nor more than sixty days after the date
of the approval by the requesting governing body.

8. At the hearing called pursuant to paragraph 7 of this subsection,
the governing body shall determine if the creation of the consolidated
district will promote public health, comfort, convenience, necessity or
welfare. If the governing body of the district determines that the public
health, comfort, convenience, necessity or welfare will be promoted, it shall
by resolution declare the districts consolidated and each affected district
joined.

9. The governing body shall submit the resolution of consolidation to
the board of supervisors.

10. Those persons currently serving as the governing body of the
district into which consolidation was requested shall serve as the governing
body of the newly consolidated district and complete their regular terms of
office. The newly consolidated district governing body shall consist of at
least five members.

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

12. The governing body by resolution shall declare the name of the
newly consolidated fire district.
13. If a newly consolidated fire district has a combined population that exceeds fifty thousand persons, the governing body of the newly consolidated fire district by resolution may declare the name of the newly consolidated fire district to include within the name the title of fire authority.

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

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

D. A NONCONTIGUOUS COUNTY ISLAND FIRE DISTRICT FORMED PURSUANT TO SECTION 48-805.01 SHALL NOT CONSOLIDATE WITH A FIRE DISTRICT FORMED PURSUANT TO SECTION 48-261.

E. If the requirements of subsection C, paragraph 15 of this section are met and each of the governing body votes required by this section are unanimous, then subsections A and B of this section shall not apply.

Sec. 10. City or town annexation of noncontiguous county island fire district; conditions; petition; notice

A. Within five years after the formation of a noncontiguous county island fire district pursuant to section 48-805.01, Arizona Revised Statutes, as added by this act:

1. A city or town may annex a county island that is within a noncontiguous county island fire district without complying with title 9, chapter 4, Arizona Revised Statutes, if both of the following apply:
   (a) The property is located within lands covered by the city or town's general plan on January 1, 2007.
   (b) The city or town sends written notice of the proposed annexation to the property owners of the lands proposed to be annexed.

2. Lands proposed to be annexed pursuant to paragraph 1 of this subsection shall be annexed into the municipality unless both of the following apply:
   (a) Fifty-one per cent or more of the number of owners of parcels of property in the proposed annexation request to be excluded from the annexation.
   (b) The property owners request in writing to be excluded and those requests are submitted to the city or town within sixty days after the city or town provided written notice of the proposed annexation.

B. For any city or town that does not annex a county island as prescribed in subsection A of this section and within five years after the formation of a noncontiguous county island fire district pursuant to section
48-805.01, Arizona Revised Statutes, as added by this act, a property owner in the fire district may file a written petition with the city or town whose general plan includes the property owner requesting the city or town to annex the property into the city or town without complying with title 9, chapter 4, Arizona Revised Statutes, if both of the following apply:

1. The property is within the city or town's general plan on January 1, 2007.
2. The property is located within the fire district formed pursuant to section 48-805.01, Arizona Revised Statutes, as added by this act.

C. Within thirty days after determining whether the city or town will annex the property pursuant to subsection B of this section, the city or town shall provide notice of its annexation decision to the property owner.