

House Engrossed Senate Bill  
fire district annual budget; summary

State of Arizona  
Senate  
Fifty-fifth Legislature  
First Regular Session  
2021

**CHAPTER 158**  
**SENATE BILL 1659**

AN ACT

AMENDING SECTIONS 48-805.02, 48-820 AND 48-822, ARIZONA REVISED STATUTES;  
RELATING TO FIRE DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Section 48-805.02, Arizona Revised Statutes, is amended  
3 to read:

4 **48-805.02. Fire district annual budget; levy; requirements**

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

21 B. Not more than ten days after the organization of a fire district  
22 and not later than August 1 of each year after the organization, the  
23 ~~chairman~~ CHAIRPERSON of the district board shall submit to the county  
24 board of supervisors a budget estimate that contains certifications by  
25 item and that specifies the amount of ~~money~~ MONIES required for the  
26 maintenance and operation of the district for the ensuing year AS  
27 PRESCRIBED BY SUBSECTION D OF THIS SECTION.

28 C. Based on the budget submitted by the district, the board of  
29 supervisors shall levy the tax as prescribed in section 48-807,  
30 subsection F.

31 D. Every budget adopted by a fire district shall include the ANNUAL  
32 ESTIMATE OF REVENUES AND EXPENSES OF THE FIRE DISTRICT FOR THE PRECEDING  
33 AND CURRENT FISCAL YEAR FULLY ITEMIZED AS PRESCRIBED ON FORMS PROVIDED BY  
34 THE AUDITOR GENERAL AND SHALL INCLUDE THE following:

35 1. A certification by the ~~chairman~~ CHAIRPERSON and clerk of the  
36 district board as to both of the following:

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

42 (b) That the district complies with subsection F of this section.

43 2. THE ESTIMATED NUMBER OF FULL-TIME EMPLOYEES.

1       3. THE TOTAL ESTIMATED PERSONNEL COMPENSATION, WHICH SHALL  
2 SEPARATELY STATE THE EMPLOYEE SALARIES AND EMPLOYEE-RELATED EXPENSES FOR  
3 RETIREMENT COSTS AND HEALTH CARE COSTS.

4       4. THE AMOUNTS NECESSARY TO PAY THE INTEREST AND PRINCIPAL OF  
5 OUTSTANDING BONDS, AS APPROVED BY THE VOTERS PURSUANT TO SECTION 48-806,  
6 THE FIRE DISTRICT PROPOSES TO RAISE BY SECONDARY PROPERTY TAX LEVIES.

7       5. THE AMOUNTS NECESSARY TO CONSTRUCT, PURCHASE, LEASE AND  
8 LEASE-PURCHASE PROPERTY OF THE DISTRICT AS AUTHORIZED UNDER SECTION  
9 48-805, SUBSECTION B.

10      6. AN AMOUNT FOR UNANTICIPATED CONTINGENCIES OR EMERGENCIES.

11      7. THE AMOUNTS THAT ARE ESTIMATED TO BE RECEIVED FROM SOURCES OTHER  
12 THAN DIRECT PROPERTY TAXES.

13      8. THE AMOUNTS LEVIED FOR FIRE DISTRICT OPERATIONS ON THE SECONDARY  
14 PROPERTY TAX ROLL.

15      9. THE AMOUNTS LEVIED BY THE FIRE DISTRICT ASSISTANCE TAX FOR  
16 DISTRIBUTION TO THE FIRE DISTRICT.

17      10. A SEPARATE STATEMENT OF THE SECONDARY PROPERTY TAX RATE FOR  
18 FIRE DISTRICT OPERATIONS AND THE REPAYMENT OF BONDS.

19      11. ANY AMOUNTS TO PROCURE SERVICES, INCLUDING THOSE OF AN  
20 ORGANIZED PRIVATE FIRE PROTECTION PROVIDER OR A FIRE DEPARTMENT OF A  
21 NEIGHBORING CITY, TOWN OR FIRE DISTRICT, OR FOR EMERGENCY MEDICAL  
22 SERVICES.

23      12. ANY AMOUNTS OF ALL OTHER SERVICES AS AUTHORIZED UNDER SECTION  
24 48-805, AS APPLICABLE.

25      13. THE BEGINNING FUND BALANCE, WHICH SHALL REFLECT THE RESTRICTED  
26 AND UNRESTRICTED UNENCUMBERED BALANCE FROM THE PRECEDING FISCAL YEAR.

27      ~~2.~~ 14. For each of the items listed in the PROPOSED budget ~~summary~~  
28 approved pursuant to subsection A of this section, ~~the district shall~~ AN  
29 estimate OF the revenue or expense for the next two fiscal years.  
30 ~~Estimates~~ THE DISTRICT shall ~~be based~~ BASE THE ESTIMATE on the average  
31 increase or decrease of the item for the previous two fiscal years unless  
32 more certain information is available to the district. Estimates shall  
33 include any applicable levy or rate limitations.

34      ~~3.~~ 15. If a district's total estimate of expenses exceeds its  
35 total estimate of revenues for any fiscal year, ~~the district shall~~  
36 ~~undertake~~ a study of merger, consolidation or joint operating  
37 alternatives. The study required by this paragraph shall be presented to  
38 the fire district board in a special public meeting called for the sole  
39 purpose of evaluating the study. The study shall include an  
40 identification of districts available for merger, consolidation or joint  
41 operations, ~~AND~~ an analysis of the level of service and cost of service  
42 that may be provided to the residents of a merged, consolidated or jointly  
43 operated district as compared to the level and cost of service to the  
44 residents of the districts without any merger, consolidation or joint  
45 operations.

1       E. For any district that amends its budget after its initial  
2 adoption, the district board shall hold a public hearing on the proposed  
3 revision of the budget. The proposed revised budget must be considered  
4 and adopted during a public meeting immediately following the public  
5 hearing on the proposal. The public hearing on the proposed revised  
6 budget may be held at a regularly scheduled public meeting of the board of  
7 directors of the district. A fire district that proposes to amend its  
8 budget after its initial adoption shall comply with the  
9 posting, ~~publishing~~ and hearing notice requirements prescribed in  
10 subsection A of this section. This subsection does not apply to a  
11 district organized pursuant to article 3 of this chapter.

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

31     G. Any audit, report or review of a fire district made pursuant to  
32 section 48-253 shall be presented to the district board by the auditor  
33 telephonically or in another live electronic format during a public  
34 meeting of the board or, as directed by the board, in person at a public  
35 meeting of the board. The district board shall take formal action at the  
36 public meeting to review and receive the audit, report or review. **THE  
37 AUDIT, REPORT OR REVIEW SHALL BE POSTED IN A PROMINENT LOCATION ON THE  
38 DISTRICT'S WEBSITE. FOR ANY FIRE DISTRICT THAT DOES NOT MAINTAIN AN  
39 OFFICIAL WEBSITE, THE FIRE DISTRICT SHALL COMPLY WITH THIS SUBSECTION BY  
40 POSTING THE AUDIT, REPORT OR REVIEW ON A WEBSITE OF AN ASSOCIATION OF FIRE  
41 DISTRICTS IN THIS STATE.** The audit, report or review shall include an  
42 attestation by the auditor of the district as to all of the following:

43       1. That the district has not incurred any debt or liability in  
44 excess of taxes levied and to be collected and the monies actually  
45 available and unencumbered at that time in the district general fund,

1 except for those liabilities as prescribed in section 48-805, subsection  
2 B, paragraph 2 and sections 48-806 and 48-807.

3 2. That the district complies with subsection F of this section.

4 3. Whether the audit, report or review disclosed any information  
5 contrary to the certification made as prescribed by subsection D,  
6 paragraph 1 of this section.

7 Sec. 2. Section 48-820, Arizona Revised Statutes, is amended to  
8 read:

9 **48-820. Election to merge fire districts; notice; hearing;**  
10 **approval; joint meeting; merged district board**

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

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

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

39 D. Except as prescribed in subsection E of this section, two or  
40 more fire districts may merge if the governing body of each affected fire  
41 district, by a majority vote of the members of each governing body, adopts  
42 a resolution declaring that a merger be considered and a public hearing be  
43 held to determine if a merger would be in the best interests of the  
44 district and would promote public health, comfort, convenience, necessity  
45 or welfare. After each district adopts such a resolution, the governing

1 body of each district by first class mail shall send notice of the day,  
2 hour and place of a hearing on the proposed merger to each owner of  
3 taxable property within the boundaries of the district. The notice shall  
4 state the purpose of the hearing and shall describe where information on  
5 the proposed merger may be obtained and reviewed. The information on the  
6 proposed merger shall be posted prominently on each affected fire  
7 district's website. The information provided by the affected districts  
8 and posted to each affected district's website shall include the name and  
9 a general description of the boundaries of each district proposed to be  
10 merged and a general map of the area to be included in the merger. The  
11 information posted to the website of each affected district also shall  
12 include an estimate of the assessed value of the merged district as of the  
13 date of the adoption of the earliest resolution that called for the merger  
14 as prescribed in subsection A of this section, the estimated change in  
15 property tax liability for a typical resident of the proposed merged  
16 district and a list of the benefits and injuries that may result from the  
17 proposed merged district. New territory may not be included as a result  
18 of the merger.

19 E. A noncontiguous county island fire district formed pursuant to  
20 section 48-851 shall not merge with a fire district formed pursuant to  
21 section 48-261.

22 F. The clerk of the governing body of each affected district shall  
23 post notice in at least three conspicuous public places in the district  
24 and shall also publish notice twice in a newspaper of general circulation  
25 in the county in which the district is located, at least ten days before  
26 the public hearing. The clerk of each governing body affected by the  
27 proposed merger shall also mail notice and a copy of the resolution in  
28 support of considering the merger to the ~~chairman~~ CHAIRPERSON of the board  
29 of supervisors of the county or counties in which the affected districts  
30 are located. The ~~chairman~~ CHAIRPERSON of the board of supervisors shall  
31 order a review of the proposed merger and may submit written comments to  
32 the governing body of each fire district located in that county within ten  
33 days after receipt of the notice.

34 G. At the hearing prescribed in subsection D of this section, each  
35 governing body of the district shall consider the comments of the board of  
36 supervisors, hear those persons who appear for or against the proposed  
37 merger and determine whether the proposed merger will promote public  
38 safety, health, comfort, convenience, necessity or welfare. If, after the  
39 public hearing each of the governing bodies of the districts affected by  
40 the proposed merger adopt a resolution by a majority vote declaring that  
41 the merger will promote public safety, health, comfort, convenience,  
42 necessity or welfare, each of the governing bodies of the districts  
43 affected by the proposed merger shall submit to the board of supervisors  
44 the resolutions that call for an election.

1       H. Before considering any resolution of merger pursuant to this  
2 section, the governing body of each affected district shall obtain written  
3 consent to the merger from any single taxpayer residing within each of the  
4 affected districts who owns thirty percent or more of the net assessed  
5 valuation of the total net assessed valuation of the district as of the  
6 date the district's resolution is submitted to the board of supervisors.  
7 If written consent from the taxpayers prescribed by this subsection is not  
8 obtained, subsections A and B of this section apply, and the merger may  
9 only be accomplished by an election held by the affected district that was  
10 unable to obtain the written consent. The other affected districts may  
11 pursue merger by unanimous consent and, if one or more of those districts  
12 fail to obtain unanimous consent, any remaining affected districts that  
13 have obtained unanimous consent or received voter approval may proceed  
14 with the merger unless the governing body of one of those districts  
15 withdraws from the merger. If one of the districts withdraws, the  
16 remaining affected districts shall revise the information prescribed by  
17 subsection D of this section and post the revised information as  
18 prescribed in subsection F of this section. If one or any of the affected  
19 districts does not have a single taxpayer residing in the district who  
20 owns thirty percent or more of the net assessed valuation of the total net  
21 assessed valuation of the district, this subsection does not apply to that  
22 district and written consent is not required for that district.

23       I. If the merger is approved as provided by subsection B, L or N of  
24 this section, immediately after the approval, the governing body of the  
25 affected district with the largest net assessed valuation as of the date  
26 of the adoption of the earliest resolution that calls for the merger as  
27 prescribed in subsection A of this section shall call a joint meeting of  
28 the governing bodies of all of the affected districts. At the joint  
29 meeting, a majority of the members of the governing body of each affected  
30 district constitutes a quorum for the purpose of transacting business.  
31 The members of the governing body of each affected district shall by  
32 majority vote of each separate governing body appoint a total of five  
33 persons from those currently serving on the governing bodies of the  
34 districts who shall complete their regular terms of office, except that  
35 not more than three of the persons appointed may serve terms that end in  
36 the same year. Not more than three members shall be appointed from the  
37 same fire district board. If the merger affects only two fire districts,  
38 the fire district with the largest net assessed valuation shall appoint  
39 three members to the governing body of the newly merged district and the  
40 district with the lesser net assessed valuation shall appoint two members.  
41 Subsequent terms of office for district board members shall be filled by  
42 election of board members who shall be qualified electors of the merged  
43 district.

44       J. The appointed governing body shall immediately meet and organize  
45 itself and elect from its members a ~~chairman~~ CHAIRPERSON and a clerk. The

1 appointed governing body shall immediately have the powers and duties  
2 prescribed by law for governance and operation of the newly merged  
3 district. The appointed board by resolution shall declare the districts  
4 merged and each affected district joined and the name of the newly merged  
5 fire district. The appointed governing body may take any action necessary  
6 to prevent interruption of fire protection and emergency medical services  
7 delivery. The **NEWLY** merged districts may be temporarily operated  
8 separately by the appointed governing body to prevent service delivery  
9 interruption and for the purposes of transition of personnel and  
10 transferring assets and liabilities. The resolution and the names of the  
11 new board members for the newly organized district shall be sent to the  
12 board of supervisors, and the districts are deemed legally merged  
13 effective immediately on the adoption of the resolution. Any challenge to  
14 the merger must be filed within the thirty-day period after adoption of  
15 the resolution. If the newly merged district is authorized to operate an  
16 ambulance service pursuant to title 36, chapter 21.1, article 2, or if the  
17 newly merged district includes one or more districts that participated in  
18 a joint powers authority pursuant to section 48-805.01 and is authorized  
19 to operate an ambulance service pursuant to title 36, chapter 21.1,  
20 article 2, the name of the ambulance service shall be changed  
21 administratively by the director of the department of health services to  
22 the name of the newly merged district and a hearing on the matter is not  
23 required pursuant to section 36-2234.

24 K. The merger of two or more fire districts pursuant to this  
25 section or the consolidation with one or more fire districts pursuant to  
26 section 48-822 shall not expand the boundaries of an existing certificate  
27 of necessity unless authorized pursuant to title 36, chapter 21.1,  
28 article 2.

29 L. If the requirements of subsection H of this section are met and  
30 the governing body votes required by subsection G of this section are  
31 unanimous, the following apply:

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

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

38 M. If the merger is approved pursuant to subsection B, L or N of  
39 this section, the most recent edition of the fire code adopted by the  
40 affected districts shall be the fire code of the newly merged district.  
41 The district shall keep a copy of the adopted fire code on file for public  
42 inspection.

43 N. After the hearing prescribed by subsection D of this section and  
44 on compliance with subsection H of this section, the governing bodies of  
45 the affected districts may approve the merger by a majority vote of each

1 affected district's governing body and subsections A and B of this section  
2 do not apply if either of the following conditions is met:

3       1. An affected district has obtained a study of merger,  
4 consolidation or joint operating alternatives as required by section  
5 48-805.02, subsection D, ~~paragraph 3~~.

6       2. An affected district's tax rate is at or above the maximum  
7 allowable tax rate prescribed in section 48-807.

8       Sec. 3. Section 48-822, Arizona Revised Statutes, is amended to  
9 read:

10       48-822. Election to consolidate fire districts; resolution;  
11                   hearing

12       A. Except as provided in subsection F of this section, the board of  
13 supervisors shall make an order calling for an election to decide whether  
14 to consolidate two or more fire districts when a resolution for  
15 consolidation of fire districts from each district is submitted to the  
16 board of supervisors. The board of supervisors shall not make an order  
17 calling for an election to consolidate the same fire districts more  
18 frequently than once every two years. Whether or not the districts are  
19 consolidated, the participating fire districts are each liable to  
20 reimburse the counties for the expenses of the election, including the  
21 cost of mailing any notices. If the proposed district is located in more  
22 than one county, the resolutions shall be submitted to the board of  
23 supervisors of the county in which the majority of the assessed valuation  
24 of the proposed district is located as of the date of the adoption of the  
25 earliest resolution that called for the consolidation. The words  
26 appearing on the ballot shall be "(insert fire districts' names)  
27 consolidate as a fire district--yes" and "(insert fire districts' names)  
28 consolidate as fire district--no."

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

34       C. Except as ~~proscribed~~ PRESCRIBED by subsection D of this section,  
35 a fire district may consolidate with one or more other fire districts  
36 formed pursuant to section 48-261 as follows:

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

42       2. On receipt of the resolution requesting consolidation, and on  
43 approval by majority vote of the governing body receiving the request, two  
44 or more fire districts may consolidate if the governing body of each  
45 affected fire district by a majority vote of the members of each governing

1 body adopts a resolution declaring that a consolidation be considered and  
2 a public hearing be held to determine if a consolidation would be in the  
3 best interest of the districts and would promote the public safety,  
4 health, comfort, convenience, necessity or welfare. The governing body of  
5 each district that adopts a resolution calling for a public hearing by  
6 first class mail shall send notice of the day, hour and place of a hearing  
7 on the proposed consolidation to each owner of taxable property within the  
8 boundaries of the district. The notice shall state the purpose of the  
9 hearing and shall describe where information on the proposed consolidation  
10 may be obtained and reviewed. The information on the proposed  
11 consolidation shall be posted prominently on each affected district's  
12 website. The information provided by the affected districts and posted to  
13 each affected district's website shall include the name and a general  
14 description of the boundaries of each district that is proposed to be  
15 consolidated and a general map of the area to be included in the  
16 consolidation. The information posted to the website of each affected  
17 district also shall include an estimate of the assessed value of the  
18 consolidated district, the estimated change in the property tax liability  
19 for a typical resident of the proposed consolidated district and a list of  
20 the benefits and injuries that may result from the proposed consolidated  
21 district. New territory may not be included as a result of the  
22 consolidation.

23 3. The clerk of the governing body of each of the fire districts  
24 affected by the proposed consolidation shall post notice in at least three  
25 conspicuous public places in the district and also shall publish or  
26 request to be published notice twice in a newspaper of general circulation  
27 in the county in which the district is located at least ten days before  
28 the public hearing. Publication by one affected district is sufficient  
29 for all affected districts if publication by more than one district would  
30 be duplicative. The clerk of each governing body affected by the proposed  
31 consolidation shall also mail notice and a copy of the resolution in  
32 support of considering consolidation to the chairman of the board of  
33 supervisors of the county or counties in which the affected districts are  
34 located. The chairman of the board of supervisors shall order a review of  
35 the proposed consolidation and may submit written comments to the  
36 governing body of each fire district located in the county within ten days  
37 after receipt of the notice.

38 4. At the hearing held as prescribed by paragraph 2 of this  
39 subsection, the governing body of the district shall consider the comments  
40 of the board of supervisors, hear those persons who appear for or against  
41 the proposed consolidation and determine whether the proposed  
42 consolidation will promote the public safety, health, comfort,  
43 convenience, necessity or welfare. If, after the public hearing, each of  
44 the governing bodies of the districts affected by the proposed  
45 consolidation adopt a resolution by a majority vote that the consolidation

1 will promote the public safety, health, comfort, convenience, necessity or  
2 welfare, each of the governing bodies of the districts affected by the  
3 proposed consolidation shall submit the resolutions calling for an  
4 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  
7 into which consolidation was requested shall by resolution declare the  
8 districts consolidated and each affected district joined. Those persons  
9 currently serving as the governing body of the district into which  
10 consolidation was requested shall serve as the governing body of the  
11 consolidated district and complete their regular terms of office. The  
12 consolidated district governing body shall consist of at least five  
13 members who shall immediately have the powers and duties prescribed by law  
14 for governance and operation of the requesting district. The district  
15 requesting consolidation may be temporarily operated by the consolidated  
16 district governing board to prevent service delivery interruption and for  
17 the purposes of transitioning personnel and transferring assets and  
18 liabilities. The consolidated district by operation of law is the  
19 continuation of the existing district into which consolidation was  
20 requested.

21 6. If the consolidated fire district is authorized to operate an  
22 ambulance service pursuant to title 36, chapter 21.1, article 2, the name  
23 of the ambulance service shall be changed administratively by the director  
24 of the department of health services to the name of the newly consolidated  
25 district and a hearing on the matter is not required pursuant to section  
26 36-2234.

27 7. If a proposed consolidated district would include property  
28 located in an incorporated city or town, in addition to the other  
29 requirements of this section, the governing body of the district shall  
30 provide notice to the city or town of the proposed consolidation and shall  
31 consider comments of the city or town council concerning the proposed  
32 consolidation at the public hearing held as prescribed by paragraph 2 of  
33 this subsection.

34 8. Before considering any resolution of consolidation pursuant to  
35 this section, the governing body of each affected district shall obtain  
36 written consent to the consolidation from any single taxpayer residing  
37 within each of the affected districts who owns thirty percent or more of  
38 the net assessed valuation of the total net assessed valuation of the  
39 district as of the date of the adoption of the earliest resolution that  
40 called for the consolidation as prescribed in subsection A of this  
41 section. If one of the affected districts does not have a single taxpayer  
42 residing in the district who owns thirty percent or more of the net  
43 assessed valuation of the total net assessed valuation of the district,  
44 this paragraph does not apply to that district and written consent is not  
45 required for that district.

1       D. A noncontiguous county island fire district formed pursuant to  
2 section 48-851 shall not consolidate with a fire district formed pursuant  
3 to section 48-261.

4       E. The merger of two or more fire districts pursuant to section  
5 48-820 or the consolidation with one or more fire districts pursuant to  
6 this section shall not expand the boundaries of an existing certificate of  
7 necessity unless authorized pursuant to title 36, chapter 21.1, article 2.

8       F. If the requirements of subsection C, paragraph 8 of this section  
9 are met and the governing body votes required by subsection C, paragraph 4  
10 of this section are unanimous, the following apply:

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

14       2. The governing bodies of each or either affected district may  
15 choose to hold an election on the question of consolidation and  
16 subsections A and B of this section apply.

17       3. If fewer than all of the affected districts choose to hold an  
18 election, the proposed consolidation is not effective until approved at  
19 the election.

20       4. Consolidation may not occur unless each affected district  
21 approves the consolidation, either by resolution or by election.

22       G. If the consolidation is approved pursuant to subsection B or F  
23 of this section, the adopted fire code of the district into which the  
24 consolidation was requested shall apply to the entirety of the newly  
25 consolidated district.

26       H. After the hearing prescribed by subsection C, paragraph 2 of  
27 this section and on compliance with subsection C, paragraph 5 of this  
28 section, the governing bodies of the affected districts may consolidate by  
29 a majority vote of each affected district's governing body and subsections  
30 A and B of this section do not apply if either of the following conditions  
31 is met:

32       1. An affected district has obtained a study of merger,  
33 consolidation or joint operating alternatives as required by section  
34 48-805.02, subsection D, paragraph 3.

35       2. An affected district's tax rate is at or above the maximum  
36 allowable tax rate prescribed in section 48-807.

APPROVED BY THE GOVERNOR MARCH 30, 2021.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 30, 2021.