

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

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

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

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

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

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

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

44 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~~ 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.

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

F. ~~When~~ IF a fire district has adopted a budget, ~~and~~ the board of supervisors has levied a fire district tax as provided in subsection C of this section and the district has insufficient monies in its general fund with the county treasurer to operate the district, the ~~chairman~~ CHAIRPERSON of the fire district board of directors, on or after August 1 of each year, may draw warrants, substitute checks or electronic funds transfers 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, substitute checks or electronic funds transfers may not exceed ninety percent of the taxes levied by the county for the district's current fiscal year. If the treasurer cannot pay a warrant, substitute check or electronic funds transfer for lack of monies in the fire district general fund, the warrant or substitute check shall be endorsed and registered, or the electronic funds transfer shall be recorded, and the warrant, substitute check or electronic funds transfer shall bear interest and be redeemed as provided by law for county warrants, substitute checks or electronic funds transfers, except that the warrants, substitute checks or electronic funds transfers are payable only from the fire district general fund.

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

1. That the district has not incurred any debt or liability in excess of taxes levied and to be collected and the monies actually 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.