

REFERENCE TITLE: **assessor's valuations; special districts; petitions**

State of Arizona
Senate
Fifty-seventh Legislature
First Regular Session
2025

SB 1120

Introduced by
Senator Mesnard

AN ACT

**AMENDING SECTIONS 48-261, 48-262 AND 48-266, ARIZONA REVISED STATUTES;
RELATING TO SPECIAL TAXING DISTRICTS.**

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 48-261, Arizona Revised Statutes, is amended to
3 read:

4 48-261. District creation; procedures; notice; hearing;
5 determinations; petitions

6 A. A fire district, community park maintenance district, sanitary
7 district or hospital district for either a hospital or an urgent care
8 center shall be created by the following procedures:

9 1. Any adult person desiring to propose creation of a district
10 shall provide a legal description of the area proposed for inclusion in
11 the district to the county assessor of the county in which the district is
12 to be located. The county assessor shall provide to the person proposing
13 formation of the district a detailed list of all taxable REAL properties
14 in the area proposed for inclusion in the district. The person proposing
15 formation of the district shall prepare and submit a district impact
16 statement to the board of supervisors of the county in which the district
17 is to be located. The county assessor's parcel map and the TOTAL LIMITED
18 assessed valuation of the properties as prescribed by section 42-17052 and
19 as shown in the county assessor's records at the time the district impact
20 statement is submitted are deemed sufficient for any required maps and for
21 determining the TOTAL LIMITED assessed valuations prescribed by this
22 section. Except for a proposed community park maintenance district that
23 is to be located in more than one county, if a proposed district is
24 located in more than one county, the impact statement shall be submitted
25 to the board of supervisors of the county in which the majority of the
26 total LIMITED assessed valuation of the proposed district is located. The
27 boards of supervisors of any other counties in which a portion of the
28 district is to be located shall provide information and assistance to the
29 responsible board of supervisors. For a community park maintenance
30 district that is to be located in more than one county, the impact
31 statement shall be submitted to the board of supervisors for each of the
32 affected counties. If the person desiring to create a district pursuant
33 to this section is unable to complete the district impact statement, the
34 board of supervisors may assist in the completion of the impact statement
35 if requested to do so, provided the bond required in subsection C of this
36 section is in an amount sufficient to cover any additional cost to the
37 county. The district impact statement shall contain at least the
38 following information:

39 (a) A legal description of the boundaries of the proposed district
40 and a map and a general description of the area to be included in the
41 district sufficiently detailed to ~~permit~~ ALLOW a REAL property owner to
42 determine whether a particular property is within the proposed district.

43 (b) The detailed list of taxable REAL properties provided by the
44 assessor pursuant to this paragraph.

1 (c) An estimate of the TOTAL LIMITED assessed valuation within the
2 proposed district.

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

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

8 (f) A list and explanation of the injuries that may result from the
9 proposed district.

10 (g) The names, addresses and occupations of the proposed members of
11 the district's organizing board of directors.

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

16 2. On receipt of the district impact statement, the board of
17 supervisors shall set a day, at least thirty but not more than sixty days
18 after that date, for a hearing on the impact statement. The board of
19 supervisors, at any time before making a determination pursuant to
20 paragraph 4 of this subsection, may require that the impact statement be
21 amended to include any information that the board of supervisors deems to
22 be relevant and necessary.

23 3. On receipt of the district impact statement, the clerk of the
24 board of supervisors shall mail, by first class mail, notice of the day,
25 hour and place of the hearing on the proposed district to each owner of
26 taxable REAL property within the boundaries of the proposed district. The
27 written notice shall state the purpose of the hearing and shall state
28 where a copy of the impact statement may be viewed or requested. The
29 clerk of the board of supervisors shall post the notice in at least three
30 conspicuous public places in the area of the proposed district and shall
31 publish twice in a daily newspaper of general circulation in the area of
32 the proposed district, at least ten days before the hearing, or, if no
33 daily newspaper of general circulation exists in the area of the proposed
34 district, at least twice at any time before the date of the hearing, a
35 notice setting forth the purpose of the impact statement, the description
36 of the area of the proposed district and the day, hour and place of the
37 hearing.

38 4. At the hearing called pursuant to paragraph 2 of this
39 subsection, the board of supervisors shall hear those who appear for and
40 against the proposed district and shall determine whether the creation of
41 the district will promote public health, comfort, convenience, necessity
42 or welfare. If the board of supervisors determines that the public
43 health, comfort, convenience, necessity or welfare will be promoted, it
44 shall approve the district impact statement and authorize the circulation
45 of petitions as provided in this subsection. For a community park

1 maintenance district that is required to obtain the approval of more than
2 one county's board of supervisors, the petitions may only be circulated
3 after approval of the board of supervisors from each affected county. The
4 order of the board of supervisors shall be final, but if the request to
5 circulate petitions is denied, a subsequent request for a similar district
6 may be refiled with the board of supervisors after six months from the
7 date of the denial. The county board of supervisors shall authorize the
8 circulation of petitions of only one proposed new district of the same
9 type in which any property owner's land is proposed for inclusion. A new
10 petition circulation shall not be authorized until the one-year period to
11 submit signatures prescribed by paragraph 6 of this subsection of the
12 original petition circulation has expired or has otherwise been
13 extinguished.

14 5. Within fifteen days after receiving the approval of the board of
15 supervisors as prescribed by paragraph 4 of this subsection, the clerk of
16 the board shall determine the minimum number of signatures and **TOTAL**
17 **LIMITED** assessed valuation required for compliance with paragraph 7 of
18 this subsection. After making that determination, the number of signatures
19 shall remain fixed and the **TOTAL LIMITED** assessed valuation of the taxable
20 **REAL** properties within the boundaries of the proposed district shall
21 remain fixed as prescribed in this subsection for the purposes of
22 determining compliance with the property valuation requirement prescribed
23 in paragraph 7 of this subsection.

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

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

34 (a) At all times, contain a map and general description of the
35 boundaries of the proposed district sufficiently detailed to **permit ALLOW**
36 a **REAL** property owner to determine whether a particular property is within
37 the proposed district and the names, addresses and occupations of the
38 proposed members of the district's organizing board of directors. An
39 alteration of the proposed district shall not be made after receiving the
40 approval of the board of supervisors as provided in paragraph 4 of this
41 subsection. The items required to be contained with the petition under
42 this subdivision shall be printed on the back of the petition form
43 required pursuant to section 48-266 unless the size of the items precludes
44 compliance with this requirement. An error in the legal description of
45 the proposed district shall not invalidate the petitions if considered as

1 a whole the information provided is sufficient to identify the property as
2 illustrated in the map required pursuant to this subdivision.

3 (b) Be signed by owners of more than one-half of the taxable REAL
4 property units in the area of the proposed district and be signed by
5 persons owning collectively more than one-half of the TOTAL LIMITED
6 assessed valuation of the property in the area of the proposed district.
7 Property exempt pursuant to title 42, chapter 11, article 3 shall not be
8 considered in determining the total LIMITED assessed valuation of the
9 proposed district nor shall owners of property not subject to taxation be
10 eligible to sign petitions.

11 8. On receipt of the petitions, including any supplemental
12 signatures, and the report of the county assessor, the board of
13 supervisors shall set a day for a hearing on the petition.

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

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

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

33 1. REAL property held in multiple ownership shall be treated as if
34 it had only one property owner, and the signature of only one of the
35 owners of property held in multiple ownership is required on the formation
36 petition. The number of persons owning property inside the boundaries of
37 the proposed district shall be determined as follows:

38 (a) In the case of property assessed by the county assessor, the
39 number of persons owning property shall be as shown on the most recent
40 assessment of property.

41 (b) In the case of property valued by the department of revenue,
42 the number of persons owning property shall be as shown on the most recent
43 valuation of property.

44 (c) If an undivided parcel of property is owned by multiple owners,
45 those owners are deemed to be one owner for the purposes of this section.

1 (d) If a person owns multiple parcels of property, that owner is
2 deemed to be a single owner for the purposes of this section.

3 2. The value of REAL property shall be determined as follows:

4 (a) In the case of property assessed by the county assessor, values
5 shall be the same as those shown on the day the district impact statement
6 is submitted.

7 (b) In the case of property valued by the department of revenue,
8 the values shall be those determined by the department in the manner
9 provided by law, for municipal assessment purposes. The county assessor
10 and the department of revenue, respectively, shall furnish to the board of
11 supervisors, within twenty days after a request, a statement in writing
12 showing the owner, the address of each owner and the appraisal or
13 ~~assessment~~ LIMITED ASSESSED value of properties contained within the
14 boundaries of the proposed district as described in subsection A of this
15 section.

16 3. Petition signatures representing real property on which taxes
17 and assessments are not current at the time of petition review are
18 invalid.

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

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

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

39 F. Except as provided in section 48-851 and section 48-2001,
40 subsection A, the area of a district created pursuant to this section
41 shall be contiguous.

42 G. A district organized pursuant to this section shall have an
43 organizing board of directors to administer the affairs of the district
44 until a duly constituted board of directors is elected as provided in this
45 title. The organizing board shall have all the powers, duties and

responsibilities of an elected board. The organizing board shall consist of the three or five 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 the purposes of this section, assessed valuation does not include property exempt pursuant to title 42, chapter 11, article 3.

Sec. 2. Section 48-262, Arizona Revised Statutes, is amended to read:

48-262. District boundary changes; procedures; notice; hearing; determinations; petitions

A. Except as prescribed by subsection I of this section, a fire district, community park maintenance district or sanitary district shall change its boundaries by the following procedures:

1. Any adult person desiring to propose any change to the boundaries of a district shall provide a legal description of the area proposed for inclusion in the district to the county assessor of the county in which the district is to be located. The county assessor shall provide to the person proposing any change to the boundaries of the district a detailed list of all taxable REAL properties in the area proposed for inclusion in the district. The person proposing any change to the boundaries of the district shall prepare and submit a boundary change impact statement to the governing body of the district. The county assessor's parcel map and the TOTAL LIMITED assessed valuation of the properties as prescribed by section 42-17052 and as shown in the county assessor's records at the time the boundary change impact statement is submitted are deemed sufficient for any required maps and for determining the TOTAL LIMITED assessed valuations prescribed by this section. The boundary change impact statement shall contain at least the following information:

(a) A legal description of the boundaries of the area to be included within the proposed change and a map and general description of the area sufficiently detailed to allow a REAL property owner to determine whether a particular property is within the proposed district. The boundaries of the proposed change shall not overlap with the boundaries of any other proposed new district of the same type or any annexation by a district of the same type for which petitions have been authorized for circulation as determined on the date that the boundary change impact statement is filed with the governing body.

(b) The detailed list of taxable REAL properties provided by the assessor pursuant to this paragraph.

(c) An estimate of the **TOTAL LIMITED** assessed valuation within the boundaries of the proposed change.

(d) An estimate of the change in the tax rate of the district if the proposed change is made.

(e) An estimate of the change in the property tax liability, as a result of the proposed change, of a typical resident of a portion of the district, not in the area of the proposed change, before and after the proposed change and of a typical resident of the area of the proposed change.

(f) A list and explanation of benefits that will result from the proposed change to the residents of the area and of the remainder of the district.

(g) A list and explanation of the injuries that may result from the proposed change to residents of the area and of the remainder of the district.

2. On receipt of the boundary change impact statement, the governing body shall set a day, at least twenty but not more than thirty days after that date, for a hearing on the boundary change impact statement. The board of supervisors may at any time before making a determination pursuant to paragraph 5 of this subsection require that the impact statement be amended to include any information that the board of supervisors deems to be relevant and necessary.

3. On receipt of the boundary change impact statement, the clerk of the governing body 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 change to each owner of taxable **REAL** property within the boundaries of the proposed change. The notice shall state the purpose of the hearing and shall describe where a copy of the boundary change impact statement may be obtained and reviewed. The clerk of the governing body shall post the notice in at least three conspicuous public places in the area of the proposed change and also publish twice in a daily newspaper of general circulation in the area of the proposed change, at least ten days before the hearing, or if no daily newspaper of general circulation exists in the area of the proposed change, 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 boundaries of the proposed change and the day, hour and place of the hearing.

4. On receipt of the boundary change impact statement, the clerk shall also mail notice, as provided in paragraph 3 of this subsection, to the chairman of the board of supervisors of the county or counties in which the proposed new property in the district is located. The chairman of the board of supervisors of the county that contains the majority of the **TOTAL LIMITED** assessed valuation of the present and proposed district property shall order a review of the proposed change and may submit

1 written comments to the governing body of the district within ten days
2 after receipt of the notice.

3 5. At the hearing called pursuant to paragraph 2 of this
4 subsection, the governing body shall consider the comments of the board of
5 supervisors, hear those who appear for and against the proposed change and
6 determine whether the proposed change will promote the public health,
7 comfort, convenience, necessity or welfare. If the governing body
8 determines that the public health, comfort, convenience, necessity or
9 welfare will be promoted, it shall approve the impact statement and
10 authorize the circulation of petitions as provided in this subsection.
11 The order of the governing body shall be final, but if the request to
12 circulate petitions is denied, a subsequent request for a similar change
13 may be refiled with the governing body six months after the date of the
14 denial. The county board of supervisors shall authorize the circulation
15 of petitions for only one boundary change of a district of the same type
16 in which any property owner's land is proposed for inclusion. A new
17 petition circulation shall not be authorized until the one-year period to
18 submit signatures set by subsection B, paragraph 3 of this section of the
19 original petition circulation has expired or has otherwise been
20 extinguished.

21 6. The governing body shall not approve a proposed annexation if
22 the property to be annexed is not contiguous with the district's existing
23 boundary. For the purposes of determining whether ~~or not~~ the proposed
24 addition is contiguous, the addition is deemed contiguous if land that is
25 owned by or under the jurisdiction of the United States government, this
26 state or any political subdivision of this state, other than an
27 incorporated city or town, intervenes between the proposed addition and
28 the current district boundary. The requirement for a proposed annexation
29 to be contiguous with the district's existing boundary does not apply to
30 fire districts formed pursuant to section 48-851.

31 7. The governing body shall not approve a proposed annexation if
32 the area proposed to be annexed surrounds any unincorporated territory and
33 that unincorporated territory is not also included in the district.

34 8. After receiving the approval of the governing body as provided
35 in paragraph 5 of this subsection and if no appeal filed pursuant to
36 paragraph 14 of this subsection remains unresolved, any adult person may
37 circulate and present petitions to the governing body of the district.

38 9. Within fifteen days after receiving the approval of the
39 governing body as prescribed by paragraph 5 of this subsection, the clerk
40 of the board shall determine the minimum number of signatures and the
41 TOTAL LIMITED assessed valuation required to comply with paragraph 10,
42 subdivision (b) of this subsection. After making that determination, the
43 number of signatures shall remain fixed and the TOTAL LIMITED assessed
44 valuation of the taxable REAL properties within the boundaries of the
45 proposed change shall remain fixed as prescribed in this subsection for

1 the purposes of determining compliance, notwithstanding any subsequent
2 changes in ownership of the property within the boundaries of the proposed
3 change.

4 10. The petitions presented pursuant to paragraph 8 of this
5 subsection shall comply with the provisions regarding petition form in
6 section 48-266 and shall:

7 (a) At all times, contain a map and general description of the
8 boundaries of the area to be included within the proposed change
9 sufficiently detailed to allow a REAL property owner to determine whether
10 a particular property is included within the proposed change. An
11 alteration of the described area shall not be made after receiving the
12 approval of the governing body as provided in paragraph 5 of this
13 subsection. The items required to be contained with the petition under
14 this subdivision shall be printed on the back of the petition form
15 required pursuant to section 48-266 unless the size of the items precludes
16 compliance with this requirement. An error in the legal description of
17 the proposed change shall not invalidate the petitions if considered as a
18 whole the information provided is sufficient to identify the property as
19 illustrated in the map required pursuant to this subdivision.

20 (b) Be signed by owners of more than one-half of the taxable REAL
21 property units within the boundaries of the proposed change and be signed
22 by persons owning collectively more than one-half of the TOTAL LIMITED
23 assessed valuation of the REAL property within the boundaries of the
24 proposed change. The TOTAL LIMITED assessed valuations of the properties
25 as prescribed by section 42-17052 and as shown in the county assessor's
26 records at the time the boundary change impact statement is submitted are
27 deemed sufficient for determining the TOTAL LIMITED assessed valuations
28 prescribed by this section. Property exempt pursuant to title 42, chapter
29 11, article 3 shall not be considered in determining the total LIMITED
30 assessed valuation of the proposed change nor shall owners of property not
31 subject to taxation be eligible to sign petitions.

32 11. On receipt of the petitions, including any supplemental
33 signatures and the report of the county assessor, the governing body shall
34 set a day, at least ten but not more than thirty days after that date, for
35 a hearing on the request.

36 12. Before the hearing called pursuant to paragraph 11 of this
37 subsection, the board of supervisors shall determine the validity of the
38 petitions presented pursuant to subsection B of this section.

39 13. At the hearing called pursuant to paragraph 11 of this
40 subsection, the governing body, if the petitions are valid, shall order
41 the change to the boundaries. The governing body shall enter its order
42 setting forth its determination in the minutes of the meeting, at least
43 ten days after the day of the hearing, and a copy of the order shall be
44 sent to the officer in charge of elections and a copy shall be recorded in
45 the county recorder's office. The order of the governing body shall be

1 final, and the proposed change shall be made to the district boundaries
2 thirty days after the governing body votes.

3 14. On filing a verified complaint with the superior court, the
4 attorney general, the county attorney or any other interested party may
5 question the validity of the annexation for failure to comply with this
6 section. The complaint shall include a description of the alleged
7 noncompliance and shall be filed within thirty days after the governing
8 body of the district adopts a resolution that annexes the territory of the
9 district. The burden of proof is on the plaintiff to prove the material
10 allegations of the verified complaint. An action shall not be brought to
11 question the validity of an annexation resolution unless it is filed
12 within the time and for the reasons prescribed in this subsection. All
13 hearings that are held pursuant to this paragraph and all appeals of any
14 orders shall be preferred and shall be heard and determined in preference
15 to all other civil matters, except election actions. If more than one
16 complaint questioning the validity of an annexation resolution is filed,
17 all complaints shall be consolidated for the hearing.

18 B. For the purpose of determining the validity of the petitions
19 presented pursuant to subsection A, paragraph 8 of this section:

20 1. REAL property held in multiple ownership shall be treated as if
21 it had only one property owner, and the signature of only one of the
22 owners of property held in multiple ownership is required on the boundary
23 change petition. The number of persons owning property inside the
24 boundaries of the proposed boundary change shall be determined as follows:

25 (a) In the case of property assessed by the county assessor, the
26 number of persons owning property shall be as shown on the most recent
27 assessment of property.

28 (b) In the case of property valued by the department of revenue,
29 the number of persons owning property shall be as shown on the most recent
30 valuation of property.

31 (c) If an undivided parcel of property is owned by multiple owners,
32 those owners are deemed to be one owner for the purposes of this section.

33 (d) If a person owns multiple parcels of property, that owner is
34 deemed to be a single owner for the purposes of this section.

35 2. The value of REAL property shall be determined as follows:

36 (a) In the case of property assessed by the county assessor, values
37 shall be the same as those shown on the last assessment roll of the county
38 containing the property.

39 (b) In the case of property valued by the department of revenue,
40 the values shall be those determined by the department in the manner
41 provided by law, for municipal assessment purposes. The county assessor
42 and the department of revenue, respectively, shall furnish to the
43 governing body, within twenty days after the request, a statement in
44 writing showing the owner, the address of each owner and the appraisal or

1 ~~assessment~~ LIMITED ASSESSED value of properties contained within the area
2 of a proposed change as described in subsection A of this section.

3 3. All petitions circulated shall be returned to the governing body
4 of the district within one year from the date of the approval given by the
5 governing body pursuant to subsection A, paragraph 5 of this section. Any
6 petition returned more than one year from that date is void. If an appeal
7 is filed pursuant to subsection A, paragraph 14 of this section, this time
8 period for gathering signatures is tolled beginning on the date an action
9 is filed in superior court and continuing until the expiration of the time
10 period for any further appeal.

11 C. For the purposes of determining whether ~~or not~~ the proposed
12 addition is contiguous, the addition is deemed contiguous if land that is
13 owned by or under the jurisdiction of the United States government, this
14 state or any political subdivision of this state, other than an
15 incorporated city or town, intervenes between the proposed addition and
16 the current district boundary. Property shall not be approved for
17 annexation if the area proposed to be annexed surrounds any unincorporated
18 territory and that unincorporated territory is not also included in the
19 district unless that unincorporated territory is in a noncontiguous county
20 island fire district.

21 D. If the change in the boundaries proposed pursuant to subsection
22 A of this section would result in a withdrawal of territory from an
23 existing district, the petitions shall be approved by the governing body
24 only if the proposed withdrawal would not result in a noncontiguous
25 portion of the district that is less than one square mile in size.

26 E. If the impact statement described in subsection A of this
27 section relates to the withdrawal of property from a district, in addition
28 to the other requirements of subsection A of this section, the governing
29 body shall also determine:

30 1. If the district has any existing outstanding bonds or other
31 evidences of indebtedness.

32 2. If those bonds were authorized by an election and issued during
33 the time the property to be withdrawn was lawfully included within the
34 district.

35 F. If the conditions of subsection E of this section are met:

36 1. The property withdrawn from the district shall remain subject to
37 taxes, special assessments or fees levied or collected to meet the
38 contracts and covenants of the bonds. The board of supervisors shall
39 provide for the levy and collection of taxes, special assessments or fees.

40 2. The governing body shall:

41 (a) Annually determine the amount of special property taxes,
42 special assessments or fees that must be levied and collected from
43 property withdrawn from the district and the mechanism by which that
44 amount is to be collected.

(b) Notify the board of supervisors on or before the third Monday in July of the amount determined in subdivision (a) of this paragraph.

3. Property withdrawn from an existing district shall not be subject to any further taxes, special assessments or fees arising from the indebtedness of the district except as provided in this subsection.

G. If the statement described in subsection A, paragraph 1 of this section requests the annexation of property located within an incorporated city or town, in addition to the other requirements of subsection A of this section, the governing body shall approve the district boundary change impact statement and authorize the circulation of petitions only if the governing body of the city or town has by ordinance or resolution endorsed the annexation and the annexation is authorized pursuant to this title.

H. Except as provided in subsection D of this section and section 48-2002, a change in the boundaries of a district pursuant to this section shall not result in a district that contains area that is not contiguous.

I. Notwithstanding subsection A of this section, any property owner, including a county, this state or the United States government, whose land is within a county that contains a sanitary district or fire district and whose land is contiguous to the boundaries of the sanitary district or fire district may request in writing that the governing body of the district amend the district boundaries to include that property owner's land. If the property is located in an incorporated city or town, in addition to the other requirements prescribed in this subsection, the governing body of the fire district or sanitary district may approve the boundary change only if the governing body of the affected city or town by ordinance or resolution has approved the inclusion of the property in the district. If the governing body determines that the inclusion of that property will benefit the district and the property owner, the boundary change may be made by order of the governing body and is final on the recording of the governing body's order that includes a legal description of the property that is added to the district. A petition and impact statement are not required for an amendment to a sanitary district's or fire district's boundaries made pursuant to this subsection.

J. Until August 1, 2014, in a county with a population greater than two million persons, notwithstanding subsection I of this section, any property owner, including the United States, this state or a county, whose land is within two thousand six hundred forty feet of an adjacent sanitary district or fire district, not contiguous to the boundaries of the sanitary district or fire district and within an unincorporated area or county island may request in writing that the governing body of the district amend the district boundaries to include that property owner's land.

1 K. A fire district shall not annex or otherwise add territory that
2 is already included in another existing fire district, unless deannexed
3 pursuant to subsections D, E and F of this section.

4 L. A fire district, community park maintenance district or sanitary
5 district may appropriate and spend monies as necessary or reasonably
6 required to assist one or more individuals or entities to change the
7 district's boundaries pursuant to this section.

8 M. Notwithstanding subsection A of this section, if an incorporated
9 city or town has previously adopted a resolution designating a fire
10 district as the fire service agency for the city or town, the
11 jurisdictional boundaries of the fire district without further notice or
12 election shall be changed to include any property annexed into the city or
13 town. If the annexation occurs pursuant to a joint petition for
14 annexation, any joint petition for annexation shall clearly indicate in
15 its title and in the notice required in the petition that the property to
16 be annexed will be subject to the jurisdiction of both the city or town
17 and the fire district. A joint petition for annexation shall comply with
18 both section 9-471 and this section. Any fire district boundary change
19 that occurs through city or town annexation pursuant to this subsection is
20 effective on the effective date of the annexation by the incorporated city
21 or town. If an incorporated city or town that has designated a fire
22 district as the fire service agency for that city or town annexes property
23 that is already part of another fire district, the annexed property shall
24 remain part of the fire district in which it was located before the city
25 or town's annexation.

26 N. Notwithstanding subsection I of this section, from August 2,
27 2012 until July 1, 2015, in counties with a population of more than two
28 million five hundred thousand persons, any property owner, including the
29 United States, this state or a county, whose land is within two thousand
30 six hundred forty feet of an adjacent sanitary district or fire district
31 and is not contiguous to the boundaries of the sanitary district or fire
32 district may request in writing that the governing body of the district
33 amend the district boundaries to include that property owner's land. If
34 the property is located in an incorporated city or town, in addition to
35 the other requirements prescribed in this subsection, the governing body
36 of the sanitary district or fire district may approve the boundary change
37 only if the governing body of the affected city or town, by ordinance or
38 resolution, has approved the inclusion of the property in the district.
39 If the governing body determines that the inclusion of that property will
40 benefit the district and the property owner, the boundary change may be
41 made by order of the governing body and is final on the recording of the
42 governing body's order that includes a general description of the
43 property, including the assessor's parcel number, that is added to the
44 district. A petition and impact statement are not required for an

1 amendment to a sanitary district's or fire district's boundaries made
2 pursuant to this subsection.

3 0. For the purposes of this section, assessed valuation does not
4 include property exempt pursuant to title 42, chapter 11, article 3.

5 Sec. 3. Section 48-266, Arizona Revised Statutes, is amended to
6 read:

7 48-266. Petitions of property owners; form; verification

8 A. The secretary of state shall promulgate sample petition forms,
9 with instructions for completing the form, that comply with the
10 requirements of this section. Petitions that conform to the sample form
11 will be deemed to have complied with subsections B, C and D of this
12 section. Petitions that do not conform to the sample petition are void
13 and shall not be counted in determining the legal sufficiency of the
14 petition.

15 B. A petition of REAL property owners that is submitted to comply
16 with section 48-261, subsection A, paragraph 7 shall contain a heading
17 that clearly identifies the type of petition BEING circulated and a
18 statement that clearly describes the type of action being proposed. The
19 petition shall be in a form that is substantially similar to the
20 following:

21 Special taxing district creation petition

22 To the board of supervisors of (insert name) county:

23 We the undersigned, property owners of (insert name of
24 county), state of Arizona and owning property within the
25 boundaries as illustrated and defined on the attached
26 exhibit(s), legal description and map of the proposed
27 boundaries, petition the county board of supervisors to create
28 a (insert description of district) as described in the
29 attached exhibit(s). I have personally signed this petition
30 with my first and last names. I have not signed any other
31 petition for the same measure. I am a property owner of the
32 state of Arizona, county of _____.

33 Notice: this is only a description of the district
34 sought to be created by the sponsor of the measure. It may
35 not include every provision contained in the measure. Before
36 signing, make sure the exhibits are attached. You have the
37 right to read or examine the district impact statement before
38 signing.

39 Warning

40 It is a class 1 misdemeanor for any person to knowingly
41 do any of the following:

42 1. Sign a district creation petition with a name other
43 than the person's own name, except in a circumstance where the
44 person signs for another person, in the presence of and at the

specific request of that person, who is incapable of signing that person's own name because of physical infirmity.

2. Sign the person's name more than once for the same measure.

3. Sign a district creation petition if the person is not a property owner.

Signature	Name	Actual	Arizona	City or	Date
	(first and	Address	Post Office	Town	
	last name	(street &	Address	(if any)	
	printed)	no. and if	& Zip		
		no street	Code		
		address,			
		describe			
		residence			
		location)			

(Fifteen numbered lines for signatures)

C. A petition of **REAL** property owners that is submitted to comply with section 48-262, subsection A, paragraph 10 shall contain a heading that clearly identifies the type of petition **BEING** circulated and a statement that clearly describes the type of action being proposed. The petition shall be in a form substantially similar to the following:

Special taxing district annexation petition

To the governing body of the (insert name) district:

We the undersigned, property owners of (insert name of county), state of Arizona and owning property within the boundaries as illustrated and defined on the attached exhibit(s), legal description and map of the proposed boundaries, petition the district to annex the territory as described in the attached exhibit(s). The area petitioning for annexation, if approved by the governing body of the district, shall become part of the annexing district and subject to all relevant provisions of the Arizona Revised Statutes. I have personally signed this petition with my first and last names. I have not signed any other petition for the same measure. I am a property owner of the state of Arizona, county of _____.

Notice: this is only a description of the territory sought to be annexed by the sponsor of the measure. It may not include every provision contained in the measure. Before signing, make sure the exhibits are attached. You have the right to read or examine the boundary change impact statement before signing.

Warning

It is a class 1 misdemeanor for any person to knowingly do any of the following:

1 1. Sign a district annexation petition with a name
2 other than the person's own name, except in a circumstance
3 where the person signs for another person, in the presence of
4 and at the specific request of that person, who is incapable
5 of signing that person's own name because of physical
6 infirmity.

7 2. Sign the person's name more than once for the same
8 measure.

9 3. Sign a district annexation petition if the person is
10 not a property owner.

Signature	Name	Actual	Arizona	City or	Date
	(first and	Address	Post Office	Town	
	last name	(street &	Address	(if any)	
	printed)	no. and if	& Zip		
		no street	Code		
		address,			
		describe			
		residence			
		location)			

(Fifteen numbered lines for signatures)

21 D. Each petition sheet shall have printed in capital letters in ~~no~~
22 **NOT** less than twelve point bold-faced type in the upper right-hand corner
23 of the face of the petition sheet the following:

24 "_____ paid circulator" "_____ volunteer"

25 E. A circulator of petitions shall state whether the circulator is
26 a paid circulator or volunteer by checking the appropriate line on the
27 petition form before circulating the petition for signatures.

28 F. Signatures obtained on petitions in violation of subsection D of
29 this section are void and shall not be counted in determining the legal
30 sufficiency of the petition. The presence of signatures that are
31 invalidated under this subsection on a petition does not invalidate other
32 signatures on the petition that were obtained as prescribed by this
33 section.

34 G. At the time of signing, the **REAL** property owner shall sign the
35 **REAL** property owner's first and last names in the spaces provided and the
36 **REAL** property owner so signing for the person circulating the petition
37 shall print the first and last names and write, in the appropriate spaces
38 following the signature, the signer's residence address, giving street and
39 number, and if the **REAL** property owner has no street address, a
40 description of the residence location. The **REAL** property owner so signing
41 or the person circulating the petition shall write, in the appropriate
42 spaces following the **REAL** property owner's address, the date on which the
43 **REAL** property owner signed the petition.

44 H. The title and text of petitions shall be in at least eight point
45 type.

1 I. The eight point type required by subsection H of this section
2 does not apply to maps, charts or other graphics.

3 J. The board of supervisors or other governing body of a political
4 subdivision that receives a petition pursuant to this section shall submit
5 a copy of the signature sheets to the county assessor for
6 verification. The county assessor shall:

7 1. Verify that the petition contains the names of more than
8 one-half of the REAL property owners in the area of the proposed district.

9 2. Determine the total LIMITED assessed valuation of the property
10 owned by the persons whose names are signed on the petition.

11 K. The county assessor shall report the results of the verification
12 to the board of supervisors or other governing body within ten days after
13 receiving the copy of the signature sheets, not including Saturdays,
14 Sundays and other legal holidays.

15 L. If the report of the county assessor prepared pursuant to
16 subsection K of this section determines that the valid signatures
17 submitted are insufficient to meet the requirements of section 48-261,
18 subsection A, paragraph 7, subdivision (b) and the one-year period to
19 submit signatures pursuant to section 48-261, subsection A, paragraph 6
20 has not yet expired or to meet the requirements of section 48-262,
21 subsection A, paragraph 10, subdivision (b) and the one-year period to
22 submit signatures pursuant to section 48-262, subsection B, paragraph 3
23 has not yet expired, the person submitting the petitions may submit
24 additional petition signatures. The original petition signatures may be
25 submitted any time during the one-year period for submittal and the
26 additional submission must also be made within the same one-year period to
27 submit signatures set by section 48-261, subsection A, paragraph 6 or
28 section 48-262, subsection B, paragraph 3. If additional signatures are
29 submitted, they shall be submitted to the county assessor for verification
30 pursuant to subsections J and K of this section.