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Jane Dee Hull
Secretary of State

CHAPTER 40

HOUSE BILL 2244

AN ACT

AMENDING SECTION 48-262, ARIZONA REVISED STATUTES; RELATING TO SPECIAL TAXING DISTRICTS.

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

2 Section 1. Section 48-262, Arizona Revised Statutes, is amended to
3 read:

4 48-262. District boundary changes; procedures; notice; hearing;
5 determinations; petitions; definitions

6 A. A fire district, community park maintenance district or sanitary
7 district shall change its boundaries by the following procedures:

8 1. Any person desiring to propose any change to the boundaries of a
9 district shall prepare and submit a boundary change impact statement to the
10 governing body of the district. The boundary change impact statement shall
11 contain at least the following information:

12 (a) A description of the boundaries of the area to be included within
13 the proposed change and a detailed, accurate map of the area.

14 (b) An estimate of the assessed valuation within the boundaries of the
15 proposed change.

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

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

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

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

7 2. On receipt of the boundary change impact statement, the governing
8 body shall set a day, not fewer than twenty nor more than thirty days from
9 that date, for a hearing on the boundary change impact statement. The board
10 of supervisors may at any time prior to making a determination pursuant to
11 paragraph 5 of this subsection require that the impact statement be amended
12 to include any information that the board of supervisors deems to be relevant
13 and necessary.

14 3. Upon receipt of the boundary change impact statement, the clerk of
15 the governing body shall mail, by first class mail, written notice of the
16 statement, its purpose and notice of the day, hour and place of the hearing
17 on the proposed change to each owner of taxable property and each qualified
18 elector within the boundaries of the proposed change. The clerk of the
19 governing body shall post the notice in at least three conspicuous public
20 places in the area of the proposed change and also publish twice in a daily
21 newspaper of general circulation in the area of the proposed change, at least
22 ten days before the hearing, or if no daily newspaper of general circulation
23 exists in the area of the proposed change, then at least twice at any time
24 before the date of the hearing, a notice setting forth the purpose of the
25 impact statement, the description of the boundaries of the proposed change
26 and the day, hour and place of the hearing.

27 4. Upon receipt of the boundary change impact statement the clerk
28 shall also mail notice, as provided in paragraph 3 of this subsection, to the
29 chairman of the board of supervisors of the county in which the district is
30 located. The chairman of the board of supervisors shall order a review of
31 the proposed change and may submit written comments to the governing body of
32 the district within ten days of receipt of the notice.

33 5. At the hearing called pursuant to paragraph 2 of this subsection,
34 the governing body shall consider the comments of the board of supervisors,
35 hear those who appear for and against the proposed change and determine
36 whether the proposed change will promote the public health, comfort,
37 convenience, necessity or welfare. If the governing body determines that the
38 public health, comfort, convenience, necessity or welfare will be promoted,
39 it shall approve the impact statement and authorize the persons proposing the
40 change to circulate petitions as provided in this subsection. The order of
41 the governing body shall be final, but if the request to circulate petitions
42 is denied, a subsequent request for a similar change may be refiled with the
43 governing body after six months from the date of such denial.

1 6. A person aggrieved by a decision of the governing body under this
2 section may appeal to the board of supervisors of the county in which the
3 district, or a majority of the district, is located, and a person aggrieved
4 by a decision of the board of supervisors may appeal to the superior court
5 in the county in the manner prescribed by title 12, chapter 7, article 6 and
6 by posting a bond equal to the probable costs conditioned that the appellant
7 will prosecute his appeal and will pay all costs that accrue in the court if
8 a judgment is rendered affirming the decision of the board of supervisors.
9 The court shall require the district governing body to pay all costs that
10 accrue in the court, including reasonable attorney fees, and the bond shall
11 be returned to the appellant, if a judgment is rendered in favor of the
12 appellant.

13 7. After receiving the approval of the governing body as provided in
14 paragraph 5 of this subsection and provided no appeal filed pursuant to
15 paragraph 6 of this subsection remains unresolved, the person proposing the
16 change may circulate and present petitions to the governing body of the
17 district.

18 8. The petitions presented pursuant to paragraph 7 of this subsection
19 shall:

20 (a) At all times, contain a description of the boundaries of the area
21 to be included within the proposed change and a detailed, accurate map of the
22 area included within the proposed change. No alteration of the described
23 area shall be made after receiving the approval of the governing body as
24 provided in paragraph 5 of this subsection.

25 (b) Be signed by more than one-half of the property owners within the
26 boundaries of the proposed change.

27 (c) Be signed by persons owning collectively more than one-half of the
28 assessed valuation of the property within the boundaries of the proposed
29 change.

30 (d) Be signed by more than one-half of the qualified electors within
31 the boundaries of the proposed change.

32 9. On receipt of the petitions, the governing body shall set a day,
33 not fewer than ten nor more than thirty days from that date, for a hearing
34 on the request.

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

38 11. At the hearing called pursuant to paragraph 9 of this subsection,
39 the governing body shall, if the petitions are valid, order the change to the
40 boundaries. The governing body shall enter its order setting forth its
41 determination in the minutes of the meeting, not later than ten days from the
42 day of the hearing, and a copy of the order shall be ~~filed~~ RECORDED in the
43 county recorder's office. The order of the governing body shall be final,
44 and the proposed change shall be made to the district boundaries thirty days

1 after the governing body votes. An appeal of the order to change the
2 boundaries to the board of supervisors pursuant to paragraph 6 of this
3 subsection must be filed with the board of supervisors during such thirty day
4 period.

5 B. For the purpose of determining the validity of the petitions
6 presented pursuant to subsection A, paragraph 7 of this section:

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

9 2. For the purposes of fulfilling the requirements of subsection A,
10 paragraph 8, subdivisions (b) and (c) of this section, property held in joint
11 tenancy shall be treated as if it had only one property owner, so that the
12 signature of only one of the owners of property held in joint tenancy is
13 required on the boundary change petition.

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

15 (a) In the case of property assessed by the county assessor, values
16 shall be the same as those shown on the last assessment roll of the county
17 containing such property.

18 (b) In the case of property valued by the department of revenue, the
19 values shall be those determined by the department in the manner provided by
20 law, for municipal assessment purposes. The county assessor and the
21 department of revenue, respectively, shall furnish to the governing body,
22 within twenty days after such a request, a statement in writing showing the
23 owner, the address of each owner and the appraisal or assessment value of
24 properties contained within the area of a proposed change as described in
25 subsection A of this section.

26 C. If the change in the boundaries proposed pursuant to subsection A
27 of this section would result in a withdrawal of territory from an existing
28 district, the petitions shall be approved by the governing body only if the
29 proposed withdrawal would not result in a noncontiguous portion of the
30 district that is less than one square mile in size.

31 D. If the impact statement described in subsection A of this section
32 relates to the withdrawal of property from a district, in addition to the
33 other requirements of subsection A of this section, the governing body shall
34 also determine:

35 1. If the district has any existing outstanding bonds or other
36 evidences of indebtedness.

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

39 E. If the conditions of subsection D of this section are met:

40 1. The property withdrawn from the district shall remain subject to
41 taxes, special assessments or fees levied or collected to meet the contracts
42 and covenants of the bonds. The board of supervisors shall provide for the
43 levy and collection of such taxes, special assessments or fees.

44 2. The governing body shall:

1 (a) Annually determine the amount of special property taxes, special
2 assessments or fees that must be levied and collected from property withdrawn
3 from the district and the mechanism by which such amount is to be collected.

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

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

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

16 G. Except as provided in subsection C of this section and section
17 48-2002, no change in the boundaries of a district pursuant to this section
18 shall result in a district which contains area that is not contiguous.

19 H. For purposes of this section:

20 1. "Assessed valuation" does not include the assessed valuation of
21 property that is owned by a county.

22 2. "Property owner" does not include a county.

APPROVED BY THE GOVERNOR MARCH 28, 1996

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