

FILED

State of Arizona
House of Representatives
Forty-second Legislature
Second Regular Session
1996

**Jane Dee Hull
Secretary of State**

CHAPTER 85

HOUSE BILL 2317

AN ACT

AMENDING SECTION 9-101.02, ARIZONA REVISED STATUTES; RELATING TO CITY EXPENDITURE LIMITATIONS.

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

2 Section 1. Section 9-101.02, Arizona Revised Statutes, is amended to
3 read:

4 9-101.02. Alternate method of incorporation for certain areas;
5 definition

6 A. As an alternate procedure for incorporation, any unincorporated
7 community containing a population of seventy-five hundred PERSONS or more,
8 if such community includes all of the territory of a district organized under
9 title 48, chapter 19, which itself includes all of the territory of a
10 district organized under title 48, chapter 14, may incorporate as a city or
11 town if each of the following events occurs:

12 1. At least twenty per cent of the qualified electors of the community
13 petition the board of supervisors, setting forth the metes and bounds of the
14 community, the name proposed for such city or town, praying for the
15 incorporation of the community into a city or town and praying for the
16 calling of an election for the purpose of deciding the question of whether
17 to incorporate. The board shall within sixty days after filing the petition
18 call the election, and the election shall take place on such date as the
19 board may designate but not more than one hundred twenty days after the
20 filing of such petition, except that no such election shall be called within
21 twelve months from the date of a previous election for incorporation of
22 substantially the same territory. Only qualified electors of the community
23 shall vote on the question. If a majority of qualified electors voting
24 thereon votes for incorporation, then the board of supervisors shall, by an

1 order entered of record, declare the community incorporated as a city or
2 town, if the provisions of paragraph 2 of this subsection are complied with.

3 2. When, on the basis of a sufficient petition therefor under
4 paragraph 1 of this subsection, an election is required upon the question of
5 incorporation the board of supervisors shall also call, at the same time as
6 the incorporation election is called, separate elections among the qualified
7 electors of each of such districts on the question of ultimate dissolution
8 of the district. For the purposes of such elections, a qualified elector of
9 a district shall be a person who is qualified to vote at the incorporation
10 election called pursuant to paragraph 1 of this subsection and who resides
11 within the district, and shall not be required to meet any additional
12 qualifications. If a majority of the qualified electors of each district
13 voting on the question approves it, each district shall be dissolved at the
14 time and as otherwise provided in title 48, chapter 14 and chapter 19,
15 respectively. Pending dissolution, the administration of district affairs
16 shall vest in trust in the governing body of the city or town created
17 pursuant to the election conducted under paragraph 1. Members of the
18 governing body of such city or town are trustees of the districts for all
19 purposes of such districts and as such have the powers and duties prescribed
20 for the boards of directors of the districts organized pursuant to title 48,
21 chapters 14 and 19. Such trustees may, without limitation, except as
22 provided by law and within this section, operate the facilities of the
23 district, may cause the levy of district taxes and assessments to pay debts
24 and operating charges of the district and may issue and sell bonds previously
25 authorized for improvements prior to dissolution of the district.
26 Indebtedness and obligations of or issued by or on behalf of such districts
27 shall not thereby become indebtedness or obligations of such city or town,
28 except that such city or town shall be responsible as trustees to insure that
29 all obligations and debts of the district shall be paid when due from funds
30 available to the trustees from the district. Until dissolution, nothing
31 shall be deemed to preclude such a district from otherwise continuing to
32 carry on its activities and transacting its business, or from entering into
33 contracts and agreements otherwise authorized with such city or town, or from
34 transferring streets and other property to such city or town. At elections
35 conducted after incorporation in districts to which this section applies the
36 electors shall be qualified electors of the city or town who reside within
37 the district, SHALL BE fully qualified to vote in a city or town election
38 were one conducted at the same time, and shall not be required to meet any
39 additional qualifications.

40 B. Members of the boards of directors of the districts, if the terms
41 of such members have not expired, shall serve as an advisory board to the
42 trustees until expiration of the terms or earlier vacancy, and thereafter the
43 office shall be deemed abolished.

1 C. If the qualified electors voting in the election conducted pursuant
2 to subsection A, paragraph 1 OF THIS SECTION fail to approve incorporation
3 or if the qualified electors voting in either of the elections conducted
4 pursuant to subsection A, paragraph 2 OF THIS SECTION fail to approve
5 dissolution, the community shall not at that time become an incorporated city
6 or town.

7 D. If incorporation is accomplished pursuant to this section, the
8 order of the board of supervisors shall designate the name of the city or
9 town and its metes and bounds, and thereafter the inhabitants within the area
10 so defined shall be a body politic and corporate by the name designated.

11 ~~F.~~ E. An area to be incorporated shall not include large areas of
12 uninhabited, rural or farm lands, but it shall be urban in nature.

13 F. PRIOR TO THE BEGINNING OF THE FIRST FULL FISCAL YEAR IN WHICH A
14 CITY THAT IS INCORPORATED UNDER THIS SECTION ASSUMES THE FINANCIAL
15 RESPONSIBILITY FOR A DISSOLVED SPECIAL TAXING DISTRICT OR DISTRICTS FORMERLY
16 WITHIN THE CITY'S BOUNDARIES, THE ECONOMIC ESTIMATES COMMISSION, PURSUANT TO
17 SECTION 41-563, SHALL ADD TO THE CITY'S 1979-1980 BASE LIMIT, FOR PURPOSES
18 OF DETERMINING ITS EXPENDITURE LIMITATION PURSUANT TO ARTICLE IX,
19 CONSTITUTION OF ARIZONA, THE ACTUAL EXPENDITURES OF THE DISTRICT OR
20 DISTRICTS FOR FISCAL YEAR 1979-1980 AS SET FORTH IN AN AUDIT BY A
21 CERTIFIED PUBLIC ACCOUNTANT DONE FOR FISCAL YEAR 1979-1980. FOR PURPOSES OF
22 MAKING THE ADJUSTMENT TO THE CITY'S EXPENDITURE LIMITATION PURSUANT TO THIS
23 SUBSECTION, NOTICE SHALL BE PROVIDED BY A CITY TO THE ECONOMIC ESTIMATES
24 COMMISSION NO LATER THAN JANUARY 1 PRIOR TO THE BEGINNING OF THE FISCAL YEAR
25 IN WHICH A CITY PROPOSES TO ASSUME THE RESPONSIBILITY FOR A DISSOLVED
26 DISTRICT.

27 ~~F.~~ G. For the purposes of this section, "community" means a locality
28 in which a body of people resides in more or less proximity having common
29 interests in such services as public health, public protection, fire
30 protection and water which bind together the people of the area and where the
31 people are acquainted and mingle in business, social, educational and
32 recreational activities.

APPROVED BY THE GOVERNOR APRIL 3, 1996

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 3, 1996