STATE OF ARIZONA

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June 4, 2007

The Honorable Jim Weiers
Speaker of the House
Arizona House of Representatives
1700 West Washington Street
Phoenix, Arizona 85007

Re: House Bill 2780: noncontiguous county island fire districts

Dear Speaker Weiers:

Today, I allowed House Bill 2780, the county fire island bill, to become law without my signature.

This bill is not the best solution to the county fire island problem in Maricopa County, but it is an improvement over the status quo. Unfortunately, bickering between Maricopa County, the City of Gilbert and Rural Metro has left an unacceptable number of county island residents without fire and emergency coverage. Although I am sympathetic to the complaints of several cities that this bill imposes a one-size-fits-all approach to solving the county fire island problem in Gilbert and may ultimately create problems elsewhere, these cities have not agreed to guarantee primary fire and emergency coverage to county island residents until a better bill is enacted. Faced with the prospect of an indefinite period in which county island residents would risk having no fire protection whatsoever, I have concluded that on balance, it is better to allow this bill to become law. I have received assurances, however, from the leading legislative supporters of House Bill 2780 that they will work more closely with the cities to address the cities' concerns and improve this legislation next session.

I also am encouraged by representations from the Chairman of the Maricopa County Board of Supervisors that Maricopa County intends to pass a resolution this week making clear that until the effective date of House Bill 2780, the county will pay the costs incurred by primary and secondary responders to a fire on a county island, and indemnify a responding city against claims arising out of the city's response to the fire. Such assurances were material to my decision to allow this bill to become law, and they offer

important interim protection to both the cities that neighbor county islands and county island residents (who must always bear ultimate responsibility for the cost of their fire and emergency services).

Yours very truly,

Janet Napolitano
Governor

JN:TAN/jm

cc: The Honorable Timothy Bee
The Honorable John McComish
The Honorable Bob Robson

Conference Engrossed

FILED
JANICE K. BREWER
SECRETARY OF STATE

State of Arizona
House of Representatives
Forty-eighth Legislature
First Regular Session
2007

CHAPTER 242

HOUSE BILL 2780

AN ACT

AMENDING SECTIONS 9-500.23, 11-251.12, 11-495, 11-496, 48-261, 48-803, 48-805, 48-806, 48-807, 48-815, 48-820 AND 48-822, ARIZONA REVISED STATUTES; AMENDING TITLE 48, CHAPTER 5, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 3; RELATING TO NONCONTIGUOUS COUNTY ISLAND FIRE DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 9-500.23, Arizona Revised Statutes, is amended to read:

9-500.23. Authority to provide fire protection and emergency services outside corporate limits

In addition to the powers provided by section 9-500.20 if approved by a municipal resolution, a city or a town may provide fire and emergency medical services outside its corporate limits to a county island as provided by section 11-251.12 OR 48-853. A CITY OR TOWN THAT PROVIDES FIRE AND EMERGENCY MEDICAL SERVICES OUTSIDE ITS CORPORATE LIMITS PURSUANT TO SECTION 11-251.12 OR 48-853 AND THE COUNTY TREASURER FOR THE COUNTY IN WHICH THE MUNICIPALITY IS LOCATED MAY ENTER INTO AN AGREEMENT FOR THE COUNTY TREASURER TO COLLECT MUNICIPAL FIRE AND EMERGENCY SERVICES FEES FROM OWNERS OF RECORD IN THAT AREA OF THE COUNTY. THE MUNICIPALITY AND THE COUNTY TREASURER MAY PROVIDE BY AGREEMENT FOR THE PAYMENT OF THE COUNTY TREASURER'S COLLECTION EXPENSES FROM THESE FEES, AND IF SO PROVIDED, THE FEES SHALL INCLUDE AN AMOUNT FOR COMPENSATION OF THE COUNTY TREASURER. ANY COMPENSATION RECEIVED BY THE COUNTY TREASURER PURSUANT TO THIS SECTION SHALL BE DEPOSITED PURSUANT TO SECTION 11-496.

Sec. 2. Section 11-251.12, Arizona Revised Statutes, is amended to read:

11-251.12. County islands; fire and emergency services protection; intergovernmental agreement with municipalities; definition

A. A county ~~with~~ THAT HAS a population of more than one million five hundred thousand persons and that has a county island that does not form a county island fire district ~~as prescribed by section 48-261, subsection H shall~~ MAY enter into an intergovernmental agreement with a municipality or municipalities for fire protection and emergency medical services in that county island. Notwithstanding any other law, a county is liable if the county was negligent in enforcing building, zoning or other related codes in a county island and a municipality that has an intergovernmental agreement to provide fire and emergency medical services pursuant to this section is hindered in responding to an emergency because of a building, zoning or other related code issue.

B. If a municipality elects to provide fire and emergency medical services in a county island where a private provider of fire or emergency services already has facilities or provides service, the municipality and the private provider shall enter into an agreement covering the roles and relationships regarding mutual aid or backup agreements and any services for which the municipality wishes to contract and any reimbursement or billing and collection practices. The agreement shall be executed before the municipality commences providing service in the county island. No agreement is required if the private provider notifies the municipality that it will

cease service in the county island within one hundred eighty days after the date the municipality commences providing service.

C. ANY PRIVATE PROVIDER OF FIRE OR EMERGENCY MEDICAL SERVICES OR BOTH THAT IS PROVIDING SERVICES IN A COUNTY ISLAND SHALL PROVIDE NOTICE OF TERMINATION OF SERVICES TO THOSE RESIDENTS RECEIVING SERVICES. THE PRIVATE PROVIDER SHALL PROVIDE THAT NOTICE AT LEAST TWELVE MONTHS BEFORE TERMINATION OR WITHDRAWAL OF THOSE SERVICES.

~~C.~~ D. For the purposes of this article, "county island" means unincorporated territory that is surrounded on all sides by a municipality or where the unincorporated territory THAT has borders that involve a combination of a municipality or municipalities and an Indian reservation.

Sec. 3. Section 11-495, Arizona Revised Statutes, is amended to read:

11-495. Taxpayers' information fund

A. A taxpayers' information fund is established in each county treasury consisting of monies collected from the public records copy surcharge imposed pursuant to section 11-496, the tax lien processing fee imposed pursuant to section 42-18116, subsection C, fifteen dollars of each judgment deed fee collected pursuant to section 42-18205, subsection A, interest earned from the elderly assistance fund pursuant to section 42-17401, ~~and~~ the community facilities district special assessment fee imposed pursuant to section 48-721 AND THE FEES AUTHORIZED FOR COLLECTING MUNICIPAL FIRE AND EMERGENCY SERVICES FEES IN CERTAIN AREAS OF THE COUNTY AS PRESCRIBED IN SECTION 9-500.23.

B. The county treasurer shall administer the fund and spend monies in the fund only to defray the cost of converting or upgrading an automated public information system as follows:

1. Purchasing computer hardware and software.

2. Training employees to operate the system.

3. Maintaining the system, including purchasing equipment maintenance agreements.

4. Updating the system hardware and software.

C. The county treasurer shall annually submit to the board of supervisors the amount of anticipated revenues under this section. If the projected revenues are considered to be insufficient to establish and maintain the fund at an adequate level, the monies may accumulate until sufficient monies are available in the fund.

Sec. 4. Section 11-496, Arizona Revised Statutes, is amended to read:

11-496. Public records copy; proceeds of sale; agent duties; surcharge; special district assessments; deposit

A. In addition to the fee prescribed by section 39-121.01, subsection D, paragraph 1 or section 39-121.03, subsection A, the county treasurer may impose a surcharge of not more than twenty-five per cent of the fee charged for furnishing a copy, printout or photograph.

B. A county treasurer who is designated as a registrar pursuant to section 35-491 may impose a surcharge of not more than twenty-five per cent

of the average fee charged by commercial bank trust departments during the previous calendar year for discharging registrar, transfer and paying agent duties.

C. The county treasurer may impose and collect a fee for expenses directly related to the collection of special assessments for a community facilities district pursuant to section 48-721 AND FOR COLLECTING MUNICIPAL FIRE AND EMERGENCY SERVICES FEES FROM OWNERS OF RECORD IN CERTAIN AREAS OF THE COUNTY AS PRESCRIBED IN SECTION 9-500.23.

D. The county treasurer shall deposit monies collected pursuant to this section in the taxpayers' information fund established by section 11-495.

Sec. 5. Section 48-261, Arizona Revised Statutes, is amended to read:

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

A. ~~Except for a county island fire district formed pursuant to subsection H of this section,~~ A fire district, community park maintenance district, sanitary district or hospital district for either a hospital or an urgent care center shall be created by the following procedures:

1. Any adult person desiring to propose creation of a district shall prepare and submit a district impact statement to the board of supervisors of the county in which the district is to be located. Except for a proposed community park maintenance district that is to be located in more than one county, if a proposed district is located in more than one county, the impact statement shall be submitted to the board of supervisors of the county in which the majority of the assessed valuation of the proposed district is located. The boards of supervisors of any other counties in which a portion of the district is to be located shall provide information and assistance to the responsible board of supervisors. For a community park maintenance district that is to be located in more than one county, the impact statement shall be submitted to the board of supervisors for each of the affected counties. If the person desiring to create a district pursuant to this section is unable to complete the district impact statement, the board of supervisors may assist in the completion of the impact statement if requested to do so, provided the bond required in subsection C of this section is in an amount sufficient to cover any additional cost to the county. The district impact statement shall contain at least the following information:

(a) A legal description of the boundaries of the proposed district and a detailed, accurate map of the area to be included in the district.

(b) An estimate of the assessed valuation within the proposed district.

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

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

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

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

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

2. On receipt of the district impact statement, the board of supervisors shall set a day, not fewer than thirty nor more than sixty days from that date, for a hearing on the impact statement. The board of supervisors, at any time prior to making a determination pursuant to paragraph 4 of this subsection, may require that the impact statement be amended to include any information that the board of supervisors deems to be relevant and necessary.

3. ~~Upon~~ ON receipt of the district impact statement, the clerk of the board of supervisors 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 district to each owner of taxable property and to each household in which a qualified elector resides within the boundaries of the proposed district. The clerk of the board of supervisors shall post the notice in at least three conspicuous public places in the area of the proposed district and shall publish twice in a daily newspaper of general circulation in the area of the proposed district, at least ten days before the hearing, or, if no daily newspaper of general circulation exists in the area of the proposed district, ~~then~~ 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 area of the proposed district and the day, hour and place of the hearing.

4. At the hearing called pursuant to paragraph 2 of this subsection, the board of supervisors shall hear those who appear for and against the proposed district and shall determine whether the creation of the district will promote public health, comfort, convenience, necessity or welfare. If the board of supervisors determines that the public health, comfort, convenience, necessity or welfare will be promoted, it shall approve the district impact statement and authorize the persons proposing the district to circulate petitions as provided in this subsection. For a community park maintenance district that is required to obtain the approval of more than one county's board of supervisors, the petitions may only be circulated after approval of the board of supervisors from each affected county. The order of the board of supervisors shall be final, but if the request to circulate petitions is denied, a subsequent request for a similar district may be refiled with the board of supervisors after six months from the date of such denial.

5. Within fifteen days after receiving the approval of the board of supervisors as prescribed by paragraph 4 of this subsection, the clerk of the board shall determine the minimum number of signatures required for compliance with paragraph 7, ~~subdivision~~ SUBDIVISIONS (b) and (c) of this subsection. After making that determination, that number of signatures shall remain fixed, notwithstanding any subsequent changes in voter registration records.

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

7. The petitions presented pursuant to paragraph 6 of this subsection shall comply with the provisions regarding petition form in section 48-265 and verification in section 48-266 and shall:

(a) At all times, contain a legal description of the boundaries of the proposed district and a detailed, accurate map of the proposed district and the names, addresses and occupations of the proposed members of the district's organizing board of directors. No alteration of the proposed district shall be made after receiving the approval of the board of supervisors as provided in paragraph 4 of this subsection.

(b) Be signed by more than one-half of the property owners in the area of the proposed district and be signed by persons owning collectively more than one-half of the assessed valuation of the property in the area of the proposed district.

(c) If a petition of qualified electors, be signed by more than one-half of the qualified electors within the boundaries of the proposed district.

8. On receipt of the petitions, the board of supervisors shall set a day, not fewer than ten nor more than thirty days from that date, for a hearing on the petition.

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

10. At the hearing called pursuant to paragraph 8 of this subsection, the board of supervisors, if the petitions are valid, shall order the creation of the district. The board of supervisors shall enter its order setting forth its determination in the minutes of the meeting, not later than ten days from the day of the hearing, and a copy of the order shall be filed in the county recorder's office. The order of the board of supervisors shall be final, and the proposed district shall be created thirty days after the board of supervisors votes to create the district, except that for a community park maintenance district that is proposed for more than one

county, the proposed district is created thirty days after the approval of the board of supervisors of the final county of the counties in which the district is to be located. A decision of the board of supervisors under this subsection is subject to judicial review under title 12, chapter 7, article 6.

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

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

2. Property held in multiple ownership shall be treated as if it had only one property owner, so that the signature of only one of the owners of property held in multiple ownership is required on the formation petition.

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

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

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

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

D. If a district is created pursuant to this section, the cost of publication of the notice of hearing, the mailing of notices to electors and property owners and all other costs incurred by the county as a result of ~~the provisions of~~ this section shall be a charge against the district.

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

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

G. A district organized pursuant to this section shall have an organizing board of directors to administer the affairs of the district until a duly constituted board of directors is elected as provided in this title. The organizing board shall have all the powers, duties and responsibilities of an elected board. The organizing board shall consist of the three 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 a county island fire district only:~~

~~1. Any person may petition the board of supervisors for the county in which the county island fire district is proposed to be located. The petitions shall comply with section 48-265 regarding petition form and shall be verified as prescribed in section 48-266. If the petitions submitted are verified as having the signatures of more than one-half of the aggregate number of owners of all of the real property located in the county islands in the proposed district as prescribed by section 48-805, subsection E, paragraph 1, after a hearing, the board of supervisors may certify the establishment of the county island fire district. The county island fire district shall be governed by a five member elected district board pursuant to section 48-803, but shall be governed initially by a board appointed by the county board of supervisors from among qualified electors of the county. On formation of the district, the surrounding city or town shall provide fire protection services and emergency medical services to the district. The initial appointed board shall schedule an election to be held on the next consolidated election date as prescribed by section 16-204. That election shall be held as otherwise provided by law. The county island fire district board shall also notify the county board of supervisors of the cost of providing fire protection services and emergency medical services for each household or other structure in the district.~~

~~2. In any legal action challenging the validity of this subsection or seeking to oppose or enjoin the creation or formation of a district contemplated by this subsection, the following apply:~~

~~(a) The board of supervisors of the county that certified the establishment of the district, after consultation with the district board, may advance funds necessary for the representation of named parties and defense of the action.~~

~~(b) A defendant that is a prevailing party in a legal challenge contemplated by this paragraph shall be awarded its costs and reasonable~~

~~attorney fees against any party who challenged the validity of this subsection or district formation.~~

~~3. Where district formation is contemplated by this subsection, the county in which the district or proposed district is located may enter into an intergovernmental agreement pursuant to title 11, chapter 7, article 3, with the district or proposed district for any purpose not inconsistent with this subsection.~~

~~I.~~ H. For the purposes of this section assessed valuation does not include the assessed valuation of property that is owned by a county, this state or the United States government and in the case of multiple ownership of a single parcel of property, any one property owner constitutes the entire ownership interest.

~~J. For the purposes of this section, "county island fire district" means a fire district that is formed or proposed to be formed only in those unincorporated areas of a single county that are surrounded by a single city or town or that are surrounded by a single city or town in combination with other publicly owned or sovereign land, and in which the existing private fire service provider has issued a notice to the residents of the county island that it plans to discontinue or substantially reduce service.~~

Sec. 6. Section 48-803, Arizona Revised Statutes, is amended to read:

48-803. District administered by a district board

A. In a district ~~which~~ THAT the board of supervisors estimates has a population of fewer than four thousand inhabitants, the district board may consist of three or five members. In a district ~~which~~ THAT the board of supervisors estimates has a population of four thousand or more inhabitants, the district board shall consist of five members, and for a NONCONTIGUOUS county island fire district formed pursuant to section ~~48-261, subsection H~~ 48-851, the board shall consist of five members. The estimate of population by the board of supervisors is conclusive and shall be based on available census information, school attendance statistics, election or voter registration statistics, estimates provided by state agencies or the county assessor, or other information as deemed appropriate by the board of supervisors. If the board of supervisors determines, at any time prior to one hundred twenty days before the next regular scheduled election for members of a district board, that the population of a fire district administered by a district board consisting of three members exceeds four thousand inhabitants, estimated as provided in this section, the board of supervisors shall order an increase in the number of members of the district board. If the board of supervisors determines at any time prior to one hundred eighty days before the next regularly scheduled election for members of a district board that the population of a fire district administered by a district board that consists of five members exceeds fifty thousand inhabitants as prescribed in this section, the board of supervisors shall inform the district board that it may expand to seven members. Any expansion to seven members shall occur by majority vote of the district board. The

increase is effective for the election of the additional members at the next regular election of members of the district board.

B. If a vacancy occurs on the district board other than from expiration of a term, the remaining board members shall fill the vacancy by appointment of an interim member. If the entire board resigns or for any reason cannot fulfill its duties, the board of supervisors shall appoint an administrator to administer the district with the same duties and obligations of the elected board. If the board of supervisors fails to appoint an administrator within thirty days, a special election shall be held to fill the vacancies on the fire district board.

C. Members of the district board shall serve without compensation, but may be reimbursed for actual expenses incurred in performing duties required by law.

D. ~~Except for a county island~~ THE BOARD OF A fire district ~~formed pursuant to section 48-261, subsection H, the board~~ shall appoint or hire a fire chief.

E. The DISTRICT board shall elect from its members a chairman and a clerk.

F. Of the members first elected to DISTRICT boards consisting of three members, the two people receiving the first and second highest number of votes shall be elected to four-year terms, and the person receiving the third highest number of votes shall be elected to a two-year term. Of the members first elected to DISTRICT boards consisting of five members, the three people receiving the first, second and third highest number of votes shall be elected to four-year terms, and the two people receiving the fourth and fifth highest number of votes shall be elected to two-year terms. Thereafter, the term of office of each DISTRICT board member shall be four years from the first day of the month next following such member's election. Of the members elected as additional members to a five member DISTRICT board, the person with the highest number of votes is elected to a four-year term and the person with the second highest number of votes is elected to a two-year term. If a district resolves to increase the governing board to seven members pursuant to subsection A, the governing board may appoint two additional members to serve until the next general election. After the general election at which the two additional members are elected, the newly elected member with the highest number of votes serves a four-year term and the other member serves a two-year term. Thereafter, the term of office for these two new members is four years.

Sec. 7. Section 48-805, Arizona Revised Statutes, is amended to read:

48-805. Fire district; powers and duties

A. A fire district, through its board or elected chief and secretary-treasurer, shall:

1. Hold public meetings at least once each calendar month.

2. Prepare an annual budget ~~containing~~ THAT CONTAINS detailed estimated expenditures for each fiscal year ~~which shall~~ AND THAT clearly ~~show~~

SHOWS salaries payable to employees of the district, including the elected or appointed chief. The budget shall be posted in three public places and published in a newspaper of general circulation in the district thirty days ~~prior to~~ BEFORE a public hearing at a meeting called by the board or elected chief to adopt the budget. Copies of the budget shall also be available to members of the public ~~upon~~ ON written request to the district. Following the public hearing, the district board or elected chief and secretary-treasurer shall adopt a budget.

3. Determine the compensation payable to district personnel.

4. Require probationary employees in a paid sworn firefighter position, a reserve firefighter position or a volunteer firefighter position to submit a full set of fingerprints to the fire district. The fire district shall submit the fingerprints to the department of public safety for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544. The department of public safety may exchange this fingerprint data with the federal bureau of investigation.

B. A fire district, through its board or elected fire chief and secretary-treasurer, may:

1. Employ any personnel and provide services deemed necessary for fire protection, for preservation of life and for carrying out its other powers and duties, including providing ambulance transportation services when authorized to do so pursuant to title 36, chapter 21.1, article 2, but a member of a district board shall not be an employee of the district. The merger of two or more fire districts pursuant to section 48-820 or the consolidation with one or more fire districts pursuant to section 48-822 shall not expand the boundaries of an existing certificate of necessity unless authorized pursuant to title 36, chapter 21.1, article 2.

2. Construct, purchase, lease, lease-purchase or otherwise acquire the following or any interest therein and, in connection with such construction or other acquisition, purchase, lease, lease-purchase or grant a lien on any or all of its present or future property, including:

(a) Apparatus, water and rescue equipment, including ambulances and equipment related to any of the foregoing.

(b) Land, buildings, equipment and furnishings to house equipment and personnel necessary or appropriate to carry out its purposes.

3. Finance the acquisition of property as provided in this section and costs incurred in connection with the issuance of bonds as provided in section 48-806. Bonds shall not be issued without the consent of a majority of the electors of the district voting at an election held for that purpose. For the purposes of an election held under this ~~paragraph~~ SUBSECTION, all persons who are eligible to vote in fire district elections under section 48-802 are eligible to vote.

4. Enforce the fire code adopted by the district, if any, and assist the state fire marshal in the enforcement of fire protection standards of

this state within the fire district including enforcement of a nationally recognized fire code when expressly authorized by the state fire marshal.

5. After the approval of the qualified electors of the fire district voting at a regular district election or at a special election called for such purpose by the district board or the elected chief and secretary-treasurer, as appropriate, or at any election held in the county which encompasses the fire district, adopt the _____ fire code, which is a nationally recognized fire code approved by the state fire marshal. The words appearing ~~upon~~ ON the ballots shall be "Should _____ fire district adopt the _____ fire code, which is a nationally recognized fire code approved by the state fire marshal--yes", "Should _____ fire district adopt the _____ fire code, which is a nationally recognized fire code approved by the state fire marshal--no". Such code shall be enforced by the county attorney in the same manner as any other law or ordinance of the county. Any inspection or enforcement costs are the responsibility of the fire district involved. The district shall keep on file such code which shall be open to public inspection for a period of thirty days prior to any election for the purpose of adopting a fire code. Copies of the order of election shall be posted in three public places in the district not less than twenty days before the date of the election, and if a newspaper is published in the county having a general circulation in the district, the order shall be published in the newspaper not less than once a week during each of the three calendar weeks preceding the calendar week of the election.

6. Amend or revise the adopted fire code, including replacement of the adopted fire code with an alternative nationally recognized fire code, with the approval of the state fire marshal and after a hearing held pursuant to posted and published notice as prescribed by subsection A, paragraph 2 of this section. The district shall keep three copies of the adopted code, amendments and revisions on file for public inspection.

7. Enter into an agreement procuring the services of an organized private fire protection company or a fire department of a neighboring city, town, district or settlement without impairing the fire district's powers.

8. Contract with a city or town for fire protection services for all or part of the city or town area until the city or town elects to provide regular fire department services to the area.

9. Retain a certified public accountant to perform an annual audit of district books.

10. Retain private legal counsel.

11. Accept gifts, contributions, bequests and grants and comply with any requirements of such gifts, contributions, bequests and grants not inconsistent with this article.

12. Appropriate and expend annually such monies as are necessary for the purpose of fire districts belonging to and paying dues in the Arizona fire district association and other professional affiliations or entities.

13. Adopt resolutions establishing fee schedules both within and outside of the jurisdictional boundaries of the district for providing fire protection services and services for the preservation of life, including emergency fire and emergency medical services, plan reviews, standby charges, fire cause determination, users' fees, facilities benefit assessments or any other fee schedule that may be required.

14. Adopt resolutions for a schedule for financial reimbursement to taxpayers for installation of certain fire protection systems such as sprinklers and monitored alarms. Any resolution to offer reimbursements shall include all of the following:

(a) A nationally recognized analysis of the cost savings to the district by using the fire protection systems.

(b) The specifications of all qualifying systems.

(c) The requirements for claiming reimbursement. The amount of reimbursement offered shall bear a reasonable relationship to the cost savings that accrue to the district as a result of the installation of qualifying systems.

(d) The requirement that the resolution to offer reimbursements expires one year after its adoption unless specifically readopted by the governing board. A resolution to readopt a schedule for financial reimbursement shall additionally include a statement as to the program's effectiveness. The statement shall include the amount of reimbursements paid to each taxpayer for the installation of the fire protection system.

15. The governing board of a fire district, with the approval of two of the three members of a three member board, four of the five members of a five member board or five of the seven members of a seven member board, may change the district's name and on so doing shall give written notice to the board of supervisors of the change.

16. Require all employees to submit a full set of fingerprints as prescribed by subsection A, paragraph 4 of this section.

17. Enter into intergovernmental agreements or contracts as follows:

(a) Enter into an intergovernmental agreement with another political subdivision for technical or administrative services or to provide fire services to the property owned by the political subdivision, including property that is outside the district boundary.

(b) Enter into a contract with individuals to:~~—~~

~~(i)~~ provide technical or administrative services.

~~(ii)~~ (c) ENTER INTO A CONTRACT WITH INDIVIDUALS TO provide fire protection services OR EMERGENCY MEDICAL SERVICES, OR BOTH, TO THE EXTENT NOT REGULATED BY TITLE 36, CHAPTER 21.1 to property owned by the individual located outside the district boundaries if the individual's property is not located in a county island as defined in section 11-251.12 and at least one of the following apply:

~~(aa)~~ (i) The existing fire service provider where the individual's property is located has issued a notice to the individual that the provider plans to discontinue service.

~~(bb)~~ (ii) Fire service is not available to the individual's property.

~~(cc)~~ (iii) Fire service is offered pursuant to a contract or subscription and the individual has not obtained service for a period of twenty-four months before the date of the contract with the district.

~~(c)~~ (d) Enter into a contract with individuals to provide fire services to property owned by the individual located outside the district boundaries, where the individual's property is located in a county island as defined in section 11-251.12, if both of the following apply:

(i) The existing fire service provider where the individual's property is located has issued a notice to the residents of the county island and the individual that the provider plans to discontinue or substantially reduce service.

(ii) The district offers contracts to all residents and property owners of the county island who will be affected by the discontinuance or substantial reduction in service by the current fire service provider.

~~(d)~~ (e) For THE purposes of subdivision (a), (b), ~~or~~ (c) OR (d) of this paragraph, a district may contract with any public or private fire service provider to provide some or all of the contractual services the district is contracting to deliver.

~~(e)~~ (f) Any contract entered into pursuant to subdivisions (b), ~~and~~ (c) AND (d) of this paragraph shall include a provision setting forth the cost of service and performance criteria.

C. The chairman and clerk of the district board or their respective designees or the elected chief and secretary-treasurer, as applicable, shall draw warrants on the county treasurer for money required to operate the district in accordance with the budget and, as so drawn, the warrants shall be sufficient to authorize the county treasurer to pay from the fire district fund.

D. The district shall not incur any debt or liability in excess of taxes levied and to be collected and the money actually available and unencumbered at the time in the fund, except as provided in subsection B, paragraph 2 of this section and in sections 48-806 and 48-807.

E. ~~For a county island fire district formed pursuant to section 48-261, subsection H, the following apply:~~

~~1. The district may be formed only in county islands that are located in an area that is within the 911 service provider district in which the largest city has a population of more than three hundred ninety-five thousand persons but less than five hundred thousand persons and that is located within the municipal planning area of a town with a population of one hundred thousand or more persons as designated in the land use map of the municipality's general plan. The district may only be formed if the district contains all of the county islands that are prescribed in this paragraph and~~

~~after compliance with the petition requirements prescribed by section 48-261, subsection H.~~

~~2. The district is authorized only to receive fire protection services and emergency medical services from the adjacent city or town government or some other provider of fire protection and emergency medical services. A county island fire district has no authority to provide fire protection services or emergency medical services by any method other than as prescribed by this subsection. The city or town shall charge a reasonable rate to the county island fire district to recover the costs of the service and excluding the costs of any awards made pursuant to section 48-261, subsection H, paragraph 2, and~~ The district board may assess and levy a secondary property tax pursuant to this article to pay for the costs of ~~the service~~ FIRE PROTECTION SERVICES OR EMERGENCY MEDICAL SERVICES EXCEPT FOR SERVICES REGULATED PURSUANT TO TITLE 36, CHAPTER 21.1. ~~The amount charged by the city or town is limited as follows:~~

~~(a) For each residence or commercial building, an amount to buy into service from the city or town. The amount chargeable pursuant to this paragraph is limited to the portion of any new home impact fee being charged by that city or town that is designated for fire protection, and that amount shall be deferred and payable over a three year period.~~

~~(b) If additional infrastructure is reasonably necessary to provide service to the county island fire district, the city or town may charge a fee of up to seventy five dollars per year for each household or other structure for up to five years.~~

~~(c) An operation and maintenance charge that is determined by calculating the annual operation and maintenance charge for the city or town and dividing that amount by the sum of the number of households and commercial buildings located in the city or town and the number of households and commercial buildings located in the county island fire district.~~

~~(d) Administrative costs of up to five per cent of the annual operating and maintenance costs per year but not more than twenty-five dollars per household or commercial building per year.~~

~~3. Within ten business days after the appointment of the board of directors for the district, the district shall issue a request for proposals for providers of fire protection and emergency medical services for the county island fire district. Notwithstanding any other law, the request for proposals is deemed a lawful procurement if the district provides for expedited public notice of the request for proposals, the due date and the terms of the request for proposals. If there are no responsive and qualified bidders on the request for proposals or if the service provider withdraws from its contract, the fire protection and emergency medical services shall be provided by the adjacent city or town. The request for proposals shall provide that the service provider shall be paid not more than the monies prescribed by this subsection and shall also provide for a maximum of thirty~~

~~days for the receipt of proposals from service providers. The request for proposals shall include the following provisions:~~

~~(a) A successful bidder shall post a ten million dollar performance bond, which shall be forfeited if the successful bidder does not fully perform the contract or terminates the contract with less than one year's notice.~~

~~(b) The performance standards for fire protection and emergency services shall conform to those of surrounding municipalities.~~

~~(c) Any municipality that bids to provide services is exempt from the performance bond prescribed by subdivision (a) of this paragraph.~~

~~(d) Nothing in the request for proposals shall preclude a private fire service provider from submitting and being eligible for a bid for the proposed services.~~

~~F. Until formation of a county island fire district is certified by the county board of supervisors, a city or town fire service provider is not liable for any fire protection services for any areas outside of the city's or town's jurisdiction and a city or town has no legal obligation to provide fire protection services to residents of the county who are not located within the boundaries of the city or town.~~

~~G. Notwithstanding any other law, a city or town is liable if the city or town is grossly negligent in providing fire or emergency medical services to a county island fire district formed pursuant to this section. For purposes of title 23, chapter 6, for a city or town that provides fire or emergency medical services to a county island fire district pursuant to this section, the providers of those services are acting within the scope of their duties to the city or town while providing those services to a county island fire district and the city or town shall provide workers' compensation coverage to those providers.~~

~~H. Subsection E of this section does not apply to and a county island fire district cannot be formed to include real property owned by a public service corporation that is regulated by the corporation commission or real property owned by a special taxing district organized pursuant to title 48, chapter 17.~~

~~I.~~ F. The county attorney may advise and represent the district when in the county attorney's judgment such advice and representation are appropriate and not in conflict with the county attorney's duties under section 11-532. If the county attorney is unable to advise and represent the district due to a conflict of interest, the district may retain private legal counsel or may request the attorney general to represent it, or both.

Sec. 8. Section 48-806, Arizona Revised Statutes, is amended to read:

48-806. Bond election; issuance and sale of bonds

A. EXCEPT FOR A DISTRICT FORMED PURSUANT TO SECTION 48-851, the district board or the elected chief and secretary-treasurer may order an election by the qualified electors of the district to be held pursuant to title 16, chapter 2, article 1 to determine whether bonds shall be issued on

behalf of the district. The order shall specify the maximum principal amount of bonds to be issued, the maximum number of years bonds of any issue or series may run from their date not exceeding thirty years, the purpose for which the bonds are to be issued, the maximum rate of interest which the bonds are to bear, the date and hours of the election and the location of the polling places. Copies of the order shall be posted in three public places within the district not less than twenty days prior to the date of the election, and if a newspaper is published within the county having a general circulation within the district, the order shall be published in the newspaper not less than once a week during each of the three calendar weeks preceding the calendar week of the election.

B. A DISTRICT BOARD FORMED PURSUANT TO SECTION 48-851 SHALL NOT ORDER AN ELECTION FOR OR ISSUE BONDS UNDER THIS SECTION.

~~B.~~ C. Instead of publishing the notice described in subsection A OF THIS SECTION, the board of directors may mail a notice of election to each household containing a qualified elector of the district. The notice shall contain the same information described in subsection A OF THIS SECTION except that the notice shall not contain the location of all the polling places for that election. The notice shall contain the location of the polling place for that household's qualified electors. The notice shall be mailed at least thirty-five days before the election.

~~C.~~ D. At the election the ballot shall contain the phrases "for the bonds" and "against the bonds". There shall be placed a square or other designated marking space in the same manner as used for candidates on ballots. The voter shall indicate a vote "for the bonds" or "against the bonds". No other question, word or figure need be printed on the ballot. The ballot need not be any particular size, nor need sample ballots be printed, posted or distributed but ballots shall comply with standards otherwise provided by law including requirements for electronic voting, if applicable.

~~D.~~ E. If a majority of the qualified electors of the district voting at the election approves the issuance of bonds, the district board or the elected chief and secretary-treasurer, as appropriate, may issue bonds in an aggregate principal amount not exceeding the lesser of six per cent of the value of the taxable property in the district as shown on the last property tax assessment roll before issuing the bonds or the maximum amount specified in the election order.

~~E.~~ F. Bonds may be in such denominations, may be in registered or bearer form either as to principal or interest, or both, may mature at such times not exceeding the maximum maturity specified in the election order and may be subject to redemption prior to maturity, all as specified by the district board or elected chief and secretary-treasurer, as appropriate, as provided in subsection ~~D~~ E OF THIS SECTION. The district may engage the services of a depository to administer a book entry system for the bonds. The costs and expenses of such depository and any registrar or paying agent

for the bonds shall be deemed to be interest expenses that may also be paid from the tax levy made pursuant to subsection ~~H~~ I OF THIS SECTION.

~~F.~~ G. Bonds shall be executed by the manual or facsimile signatures of the chairman and clerk of the district board or elected chief and secretary-treasurer of the district. Coupons attached to the bonds shall bear the facsimile signature of the chairman of the district board or the elected chief of the district, as appropriate.

~~G.~~ H. The district board may sell the bonds at public or private sale or through an on-line bidding process. In addition, the district board may negotiate loan agreements or loan repayment agreements with the greater Arizona development authority in lieu of selling bonds where authority to sell bonds has been granted by the district's voters. The proceeds of sale on the bonds shall be deposited in an account of the fire district fund to be known as the capital fund to be applied for the purpose for which the bonds were issued.

~~H.~~ I. After the bonds are issued, the district board or elected chief and secretary-treasurer, as appropriate, shall enter on the district's minutes a record of the bonds sold and shall annually determine the amount of the tax levy to pay the bonds and certify such amount to the board of supervisors of the county. The board of supervisors shall annually cause to be levied and collected a tax, at the same time and in the same manner as other taxes are levied and collected upon all taxable property in the district, sufficient to pay principal of and interest on the bonds as they become due and payable. Monies derived from the levy of the tax when collected shall be deposited in the debt service fund and shall be applied only to payment of the principal of and interest on the bonds. On payment of the outstanding bonded indebtedness of the district, any monies remaining in the debt service fund shall be used to reduce the district's property tax levy in the next fiscal year.

Sec. 9. Section 48-807, Arizona Revised Statutes, is amended to read:

48-807. County fire district assistance tax; annual budget

A. The board of supervisors of a county shall levy, at the time of levying other property taxes, a county fire district assistance tax on the taxable property in the county of not ~~to exceed~~ MORE THAN ten cents per one hundred dollars of assessed valuation. The tax levy provided for in this subsection shall be a levy of secondary property taxes and shall not be subject to title 42, chapter 17, article 2. The county treasurer shall pay to each FIRE district, INCLUDING A FIRE DISTRICT FORMED PURSUANT TO SECTION 48-851, in the county from the proceeds of the tax an amount equal to twenty per cent of the property tax levy adopted by the district for the fiscal year in which the tax will be levied, except that:

1. The amount of assistance from the county to a fire district shall be reduced as follows:

(a) By the dollar amount that the fire district receives from the fire district assistance tax that exceeds three hundred thousand dollars from and after June 30 of each fiscal year.

(b) Except as provided in paragraph 2, if the total amount to be paid to all districts in the county under this paragraph exceeds the amount to be raised by the levy of ten cents per one hundred dollars assessed valuation, then the county treasurer shall pay an amount less than twenty per cent of the property tax levy of each district. The amount to be paid by the county treasurer to each district shall be determined by multiplying the proceeds of the county fire district assistance tax against the proportion that twenty per cent of the property tax levy of each district bears to the total of twenty per cent of the property tax levies of all fire districts in the county.

2. For fiscal years beginning from and after July 1, 1992, the amount of assistance from the county to a fire district shall not be less than the assistance provided from and after June 30, 1991 through June 30, 1992, if, for the fiscal year in which the tax will be levied, the district levies a tax, in addition to any tax levied under section 48-806, of three dollars per one hundred dollars of assessed valuation and the assessed valuation is at least ninety per cent of the assessed valuation for the 1991 tax year. This paragraph does not apply to fire districts subject to paragraph 1, subdivision (a).

B. For the purpose of subsection A of this section, the property tax levy of the fire district shall include in lieu contributions pursuant to chapter 1, article 8 of this title but shall not include property tax levies to be applied to the payment of principal and interest on bonds issued pursuant to section 48-806.

C. Notwithstanding subsection A of this section, if two or more fire districts merge to form a consolidated district, the last amount received by each fire district from the fire district assistance tax prior to the merger shall be combined and if the combined amount exceeds three hundred thousand dollars, the consolidated district may continue to receive that amount from the fire district assistance tax.

D. If two or more fire districts merge to form a consolidated district and the total of the amounts received by each fire district from the fire district assistance tax is less than three hundred thousand dollars, the consolidated district may continue to receive monies until its receipts total three hundred thousand dollars, as prescribed in subsection A of this section.

E. Not more than ten days after the perfection of the organization of a fire district, and thereafter not later than August 1 of each year, the chief and the secretary-treasurer of the district, or if there is a district board, the chairman of the board, shall submit to the board of supervisors an estimate, certified by items, of the amount of money required for the equipment and maintenance of the district for the ensuing year.

F. The board, based on the budget submitted by the district, shall levy, in addition to any tax levied as provided in section 48-806, a tax not to exceed three dollars twenty-five cents per one hundred dollars of assessed valuation against all property situated within the district boundaries and appearing ~~upon~~ ON the last assessment roll. The levy shall be made and the taxes collected in the manner, at the time and by the officers provided by law for the collection of general county taxes.

G. The county treasurer shall keep the money received from ~~such~~ taxes LEVIED PURSUANT TO SUBSECTION F OF THIS SECTION in a separate fund known as the "fire district fund" of the ~~town or settlement~~ DISTRICT for which collected. Any surplus remaining in the fund at the end of the fiscal year shall be credited to the fire district fund of the ~~town or settlement~~ DISTRICT for which collected for the succeeding fiscal year.

H. When a fire district has adopted a budget and the board of supervisors has levied a fire district tax as provided in subsection F of this section and the district has insufficient money in its fund with the county treasurer to operate the district, the elected chief and the secretary-treasurer, or if there is a district board, the chairman of the board, on or after August 1 of each year, may draw warrants 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 may not exceed ninety per cent of the taxes levied by the county for the district's current fiscal year. If the treasurer cannot pay a warrant for lack of funds in the fire district fund, the warrant shall be endorsed, be registered, bear interest and be redeemed as provided by law for county warrants, except that the warrants are payable only from the fire district fund.

Sec. 10. Section 48-815, Arizona Revised Statutes, is amended to read:

48-815. Dissolution of fire district; disposition of claims and fund balance

A. If a petition is filed with the governing body of the fire district containing the signatures of at least ten per cent of the qualified electors of the district, which asks for dissolution of the district, the governing body of the district shall call an election as provided in section 48-802 within the district to decide whether the district shall be dissolved. The words appearing upon the ballots shall be "dissolution of _____ fire district -- yes", "dissolution of _____ fire district -- no".

B. The elected chief or the chairman of the district board shall execute a certificate, attested by the secretary-treasurer or the clerk of the district board, setting forth the results of the election of the district and within five days thereafter file it with the clerk of the board of supervisors. The board of supervisors at its next regular meeting shall make a written order reciting the facts of the certificate and if the district is dissolved list the unpaid valid claims against the district, which shall

thereupon be paid by the county treasurer upon warrants drawn from the money available in the fire district fund. The order shall be signed and attested and the original thereof filed in the office of the county recorder, and recorded in the miscellaneous records.

C. Upon the recording thereof the fire district shall be abolished, and all money remaining in such fire district fund, after the payment of all valid claims against the district, shall be transferred to the general fund of the county, but if all of the fire district has been included within the corporate limits of a city or town, then, upon disbanding as provided by this section, the equipment, assets and liabilities of the district shall be transferred to such city or town.

D. Taxes shall continue to be levied as provided in section 48-806, subsection ~~H~~ I on all the taxable property within the formal boundaries of the district to pay the principal or any interest on outstanding bonds of the district.

Sec. 11. Section 48-820, Arizona Revised Statutes, is amended to read:

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

A. Except as provided in subsection ~~I~~ J OF THIS SECTION, the board of supervisors shall make an order calling for an election to decide whether to merge fire districts when a resolution for merger from each district is submitted to the board. The board of supervisors shall not make an order calling for an election to merge fire districts more frequently than once every two years. Whether or not the districts are merged, the fire districts shall reimburse the counties for the expenses of the election, including the cost of mailing any notices required pursuant to this section. If the proposed district is located in more than one county, the resolutions shall be submitted to the board of supervisors of the county in which the majority of the assessed valuation of the proposed district is located. The words appearing on the ballot shall be "(insert fire districts' names) merge as a fire district--yes" and "(insert fire districts' names) merge as fire district--no."

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

C. EXCEPT AS PRESCRIBED IN SUBSECTION D OF THIS SECTION, two or more fire districts may merge if the governing body of each affected fire district, by a majority vote of the members of each governing body, adopts a resolution declaring that a merger be considered and a public hearing be held to determine if a merger would be in the best interests of the district and would promote public health, comfort, convenience, necessity or welfare. After each district adopts such a resolution, the governing body by first class mail shall send written notice of the resolution, its purpose and

notice of the day, hour and place of a hearing on the proposed merger to each owner of taxable property within the boundaries of the district. The notice shall contain the name and description of the boundaries of each district proposed to be merged and a detailed, accurate map of the area to be included in the merger. No new territory may be included as a result of the merger.

D. A NONCONTIGUOUS COUNTY ISLAND FIRE DISTRICT FORMED PURSUANT TO SECTION 48-851 SHALL NOT MERGE WITH A FIRE DISTRICT FORMED PURSUANT TO SECTION 48-261.

~~D.~~ E. The clerk of the governing body shall post notice in at least three conspicuous public places in the district and shall also publish notice twice in a daily newspaper of general circulation in the county in which the district is located, at least ten days before the public hearing. The clerk of each governing body affected by the proposed merger shall also mail notice and a copy of the resolution in support of the merger to the chairman of the board of supervisors of the county or counties in which the affected districts are located. The chairman of the board of supervisors shall order a review of the proposed merger and shall submit written comments to the governing body of each fire district located in that county within ten days after receipt of the notice.

~~E.~~ F. At the hearing, the governing body of the district shall consider the comments of the board of supervisors, hear those persons who appear for or against the proposed merger and determine whether the proposed merger will promote public health, comfort, convenience, necessity or welfare. If, after the public hearing each of the governing bodies of the districts affected by the proposed merger adopt a resolution by a three-fourths vote that the merger will promote public health, comfort, convenience, necessity or welfare, each of the governing bodies of the districts affected by the proposed merger shall submit the resolutions to the board of supervisors.

~~F.~~ G. Before considering any resolution of merger pursuant to this section, a governing body shall obtain written consent to the merger from any single taxpayer residing within each of the affected districts who owns thirty per cent or more of the net assessed valuation of the total net assessed valuation of the district. If written consent contemplated by this subsection is not obtained, then the provisions of subsections A and B apply, and the merger may only be accomplished by election.

~~G.~~ H. If the proposal for merger is approved as provided by subsection B OF THIS SECTION, the governing body of the affected district with the largest population within thirty days shall call a joint meeting of the governing bodies of all of the affected districts. At the joint meeting, a majority of the members of the governing body of each affected district constitutes a quorum for the purpose of transacting business. The members of the governing body shall appoint a total of five persons from those currently serving on the governing bodies who shall complete their regular terms of office, except that no more than three of the persons appointed may serve

terms that end in the same year. No more than three members shall be appointed from the same fire district board. Subsequent terms of office for district board members shall be filled by election of board members who shall be qualified electors of the merged district.

~~H.~~ I. The appointed governing body shall immediately meet and organize itself and elect from its members a chairman and a clerk. The appointed board by resolution shall declare the districts merged and each affected district joined. The governing board by resolution shall declare the name of the newly merged fire district. The resolution and the names of the new board members for the newly organized district shall be sent to the board of supervisors, and the merger shall be deemed completed thirty days after the adoption of the resolution.

~~I.~~ J. If the requirements of subsection ~~F~~ G OF THIS SECTION are met and each of the governing body votes required by subsections C and ~~E~~ F OF THIS SECTION are unanimous, ~~then~~ subsections A and B ~~shall~~ OF THIS SECTION DO not apply.

Sec. 12. Section 48-822, Arizona Revised Statutes, is amended to read:

48-822. Election to consolidate fire districts; resolution; impact statement; hearing

A. Except as provided in subsection ~~D~~ E of this section, the board of supervisors shall make an order calling for an election to decide whether to consolidate fire districts when a resolution for consolidation of fire districts from the requesting district is submitted to the board. The board of supervisors shall not make an order calling for an election to consolidate fire districts more frequently than once every two years. Whether or not the districts are consolidated, the fire districts shall reimburse the counties for the expenses of the election, including the cost of mailing any notices. If the proposed district is located in more than one county, the resolutions shall be submitted to the board of supervisors of the county in which the majority of the assessed valuation of the proposed district is located. The words appearing on the ballot shall be "(insert fire districts' names) consolidate as a fire district--yes" and "(insert fire districts' names) consolidate as fire district--no."

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

C. EXCEPT AS PROSCRIBED BY SUBSECTION D OF THIS SECTION, a fire district may consolidate with one or more other fire districts formed pursuant to section 48-261 as follows:

1. A resolution requesting the consolidation of one fire district is passed by a majority vote of the governing body requesting consolidation into another fire district. The requesting district shall send by first class

mail the notice of request to consolidate districts to the fire district in which the consolidation is requested.

2. On receipt of the resolution requesting consolidation, and on approval by majority vote of the governing body receiving the request, the fire districts by mutual agreement shall prepare a consolidation impact statement that includes the following:

(a) A legal description of the boundaries of the proposed consolidated district and a detailed, accurate map of the area to be included in the consolidated district. No new territory may be included as a result of a district consolidation.

(b) An estimate of the assessed valuation in the proposed consolidated district.

(c) An estimate of the change in the property tax liability of a typical resident of the proposed consolidated district as a result of the proposed consolidated district.

(d) A list and explanation of benefits that will result from the proposed consolidated district.

(e) A list and explanation of the injuries that will result from the proposed consolidated district.

3. On completion of the consolidation impact statement, the governing body of each fire district shall set a day for a hearing on the impact statement that is not fewer than sixty nor more than ninety days after the date of the completion and approval of the consolidation impact statement. The district governing bodies at any time before making a determination pursuant to paragraph ~~4~~ 5 of this subsection may require that the impact statement be amended to include any information that the board deems to be relevant and necessary.

4. On setting the date for hearing on the consolidated district impact statement, the clerk of each governing body shall send 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 consolidated district to each owner of taxable property within the boundaries of the respective fire districts. At least ten days before the hearing, the clerk of each governing body shall post the notice in at least three conspicuous public places in the respective districts and shall publish notice twice in a daily newspaper of general circulation in the area of the proposed consolidated district.

5. At the hearing called pursuant to paragraph 3 of this subsection, the governing body shall hear those persons who appear for and against the proposed consolidated district and shall determine whether the creation of the district will promote public health, comfort, convenience, necessity or welfare. If the governing body of each district determines that the public health, comfort, convenience, necessity or welfare will be promoted, it shall approve the consolidated district impact statement.

6. Within fifteen days after the approval of the board as prescribed by paragraph 5 of this subsection, the clerk of the board of the district

requesting consolidation shall send by first class mail notice of the approval to the fire district in which the consolidation is requested.

7. After receiving the approval of the requesting governing body to consolidate districts as provided in paragraph 6 of this subsection, the governing body of the district into which consolidation was requested shall set a day for a hearing on the consolidation of the districts. The hearing shall be held not fewer than thirty nor more than sixty days after the date of the approval by the requesting governing body.

8. At the hearing called pursuant to paragraph 7 of this subsection, the governing body shall determine if the creation of the consolidated district will promote public health, comfort, convenience, necessity or welfare. If the governing body of the district determines that the public health, comfort, convenience, necessity or welfare will be promoted, it shall by resolution declare the districts consolidated and each affected district joined.

9. The governing body shall submit the resolution of consolidation to the board of supervisors.

10. Those persons currently serving as the governing body of the district into which consolidation was requested shall serve as the governing body of the newly consolidated district and complete their regular terms of office. The newly consolidated district governing body shall consist of at least five members.

11. If the consolidation results in a new district population that is greater than fifty thousand persons, the new governing board may appoint an additional two members to serve until the next general election at which time the newly elected member with the highest number of votes serves a four year term and the other member serves a two year term. Thereafter, the term of office for these two new members is four years.

12. The governing body by resolution shall declare the name of the newly consolidated fire district.

13. If a newly consolidated fire district has a combined population that exceeds fifty thousand persons, the governing body of the newly consolidated fire district by resolution may declare the name of the newly consolidated fire district to include within the name the title of fire authority.

14. If a proposed consolidated district would include property located in an incorporated city or town, in addition to the other requirements of this section, the governing body of the district shall approve the creation of the consolidated district only if the governing body of the city or town endorses the creation by ordinance or resolution.

15. Before considering any resolution of consolidation pursuant to this section, a governing body shall obtain written consent to the consolidation from any single taxpayer residing within each of the affected districts who owns thirty per cent or more of the net assessed valuation of the total net assessed valuation of the district.

D. A NONCONTIGUOUS COUNTY ISLAND FIRE DISTRICT FORMED PURSUANT TO SECTION 48-851 SHALL NOT CONSOLIDATE WITH A FIRE DISTRICT FORMED PURSUANT TO SECTION 48-261.

~~D.~~ E. If the requirements of subsection C, paragraph 15 of this section are met and each of the governing body votes required by this section are unanimous, ~~then~~ subsections A and B of this section ~~shall~~ DO not apply.

Sec. 13. Title 48, chapter 5, Arizona Revised Statutes, is amended by adding article 3, to read:

ARTICLE 3. NONCONTIGUOUS COUNTY ISLAND FIRE DISTRICTS

48-851. Noncontiguous county island fire district; formation; definition

A. A NONCONTIGUOUS COUNTY ISLAND FIRE DISTRICT SHALL BE FORMED BY THE FOLLOWING PROCEDURES:

1. ONE OR MORE PERSONS WHO WISH TO PETITION FOR A NONCONTIGUOUS COUNTY ISLAND FIRE DISTRICT SHALL REQUEST AND THE COUNTY ASSESSOR SHALL PROVIDE A MAP OF ALL OF THE COUNTY ISLAND AREAS THAT ARE CONTAINED WITHIN THE MUNICIPAL PLANNING AREA OF A CITY.

2. WITHIN THIRTY DAYS AFTER RECEIVING A MAP FROM THE COUNTY ASSESSOR, THE PERSON SHALL SUBMIT A REVISED MAP THAT INDICATES THOSE COUNTY ISLAND AREAS THAT ARE PROPOSED TO BE INCLUDED IN THE NONCONTIGUOUS COUNTY ISLAND FIRE DISTRICT AND SHALL SUBMIT THE NAMES AND ADDRESSES OF THREE PERSONS WHO ARE PROPOSED TO SERVE AS THE ORGANIZING BOARD OF THE DISTRICT.

3. ON RECEIPT OF THE REVISED MAP AND THE PROPOSED ORGANIZING BOARD'S MEMBERSHIP, THE BOARD OF SUPERVISORS SHALL SET A DAY FOR A HEARING ON THE PROPOSED DISTRICT FORMATION.

4. THE CLERK OF THE BOARD OF SUPERVISORS 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 DISTRICT TO EACH OWNER OF TAXABLE PROPERTY AND TO EACH HOUSEHOLD IN WHICH A QUALIFIED ELECTOR RESIDES WITHIN THE BOUNDARIES OF THE PROPOSED DISTRICT. THE CLERK OF THE BOARD OF SUPERVISORS SHALL POST THE NOTICE IN AT LEAST THREE CONSPICUOUS PUBLIC PLACES IN THE AREA OF THE PROPOSED DISTRICT AND SHALL PUBLISH TWICE IN A DAILY NEWSPAPER OF GENERAL CIRCULATION IN THE AREA OF THE PROPOSED DISTRICT, AT LEAST TEN DAYS BEFORE THE HEARING, OR, IF NO DAILY NEWSPAPER OF GENERAL CIRCULATION EXISTS IN THE AREA OF THE PROPOSED DISTRICT, AT LEAST TWICE AT ANY TIME BEFORE THE DATE OF THE HEARING, A NOTICE SETTING FORTH THE PURPOSE OF THE PROPOSED DISTRICT FORMATION, THE DESCRIPTION OF THE AREA OF THE PROPOSED DISTRICT AND THE DAY, HOUR AND PLACE OF THE HEARING.

5. AT THE HEARING CALLED PURSUANT TO PARAGRAPH 3 OF THIS SUBSECTION, THE BOARD OF SUPERVISORS SHALL HEAR THOSE WHO APPEAR FOR AND AGAINST THE PROPOSED DISTRICT AND SHALL DETERMINE WHETHER THE CREATION OF THE DISTRICT WILL PROMOTE PUBLIC HEALTH, COMFORT, CONVENIENCE, NECESSITY OR WELFARE. IF THE BOARD OF SUPERVISORS DETERMINES THAT THE PUBLIC HEALTH, COMFORT, CONVENIENCE, NECESSITY OR WELFARE WILL BE PROMOTED, IT SHALL AUTHORIZE THE PERSONS PROPOSING THE DISTRICT TO CIRCULATE PETITIONS AS PROVIDED IN THIS

SUBSECTION. THE ORDER OF THE BOARD OF SUPERVISORS SHALL BE FINAL, BUT IF THE REQUEST TO CIRCULATE PETITIONS IS DENIED, A SUBSEQUENT REQUEST FOR A SIMILAR DISTRICT MAY BE REFILED WITH THE BOARD OF SUPERVISORS AFTER SIX MONTHS FROM THE DATE OF THE DENIAL.

6. WITHIN FIFTEEN DAYS AFTER RECEIVING THE APPROVAL OF THE BOARD OF SUPERVISORS AS PRESCRIBED BY PARAGRAPH 5 OF THIS SUBSECTION, THE CLERK OF THE BOARD SHALL DETERMINE THE MINIMUM NUMBER OF SIGNATURES REQUIRED FOR COMPLIANCE WITH PARAGRAPH 8, SUBDIVISIONS (b) AND (c) OF THIS SUBSECTION. AFTER MAKING THAT DETERMINATION, THAT NUMBER OF SIGNATURES SHALL REMAIN FIXED, NOTWITHSTANDING ANY SUBSEQUENT CHANGES IN VOTER REGISTRATION RECORDS.

7. AFTER RECEIVING THE APPROVAL OF THE BOARD OF SUPERVISORS AS PROVIDED IN PARAGRAPH 5 OF THIS SUBSECTION, ANY ADULT PERSON MAY CIRCULATE AND PRESENT PETITIONS TO THE BOARD OF SUPERVISORS OF THE COUNTY IN WHICH THE DISTRICT IS LOCATED. ALL PETITIONS CIRCULATED SHALL BE RETURNED TO THE BOARD OF SUPERVISORS WITHIN ONE YEAR FROM THE DATE OF THE APPROVAL OF THE BOARD OF SUPERVISORS PURSUANT TO PARAGRAPH 5 OF THIS SUBSECTION. ANY PETITION THAT IS RETURNED MORE THAN ONE YEAR FROM THAT DATE IS VOID.

8. THE PETITIONS PRESENTED PURSUANT TO PARAGRAPH 7 OF THIS SUBSECTION SHALL COMPLY WITH THE PROVISIONS REGARDING PETITION FORM IN SECTION 48-265 AND VERIFICATION IN SECTION 48-266 AND SHALL:

(a) AT ALL TIMES, CONTAIN A LEGAL DESCRIPTION OF THE BOUNDARIES OF THE PROPOSED DISTRICT AND A DETAILED, ACCURATE MAP OF THE PROPOSED DISTRICT AND THE NAMES, ADDRESSES AND OCCUPATIONS OF THE PROPOSED MEMBERS OF THE DISTRICT'S ORGANIZING BOARD OF DIRECTORS. NO ALTERATION OF THE PROPOSED DISTRICT SHALL BE MADE AFTER RECEIVING THE APPROVAL OF THE BOARD OF SUPERVISORS AS PROVIDED IN PARAGRAPH 5 OF THIS SUBSECTION.

(b) BE SIGNED BY MORE THAN ONE-HALF OF THE AGGREGATE NUMBER OF PROPERTY OWNERS IN THE COUNTY ISLAND AREAS CONTAINED IN THE PROPOSED DISTRICT.

9. ON RECEIPT OF THE PETITIONS, THE BOARD OF SUPERVISORS SHALL SET A DAY, NOT MORE THAN THIRTY DAYS FROM THAT DATE, FOR A HEARING ON THE PETITION.

10. PRIOR TO THE HEARING CALLED PURSUANT TO PARAGRAPH 9 OF THIS SUBSECTION, THE BOARD OF SUPERVISORS SHALL DETERMINE THE VALIDITY OF THE PETITION SIGNATURES PRESENTED. AT THE HEARING CALLED PURSUANT TO PARAGRAPH 9 OF THIS SUBSECTION, THE BOARD OF SUPERVISORS, IF THE PETITIONS ARE VALID, SHALL ORDER THE FORMATION OF THE DISTRICT. THE BOARD OF SUPERVISORS SHALL ENTER ITS ORDER SETTING FORTH ITS DETERMINATION IN THE MINUTES OF THE MEETING, NOT LATER THAN TEN DAYS FROM THE DAY OF THE HEARING, AND A COPY OF THE ORDER SHALL BE FILED IN THE COUNTY RECORDER'S OFFICE. THE ORDER OF THE BOARD OF SUPERVISORS SHALL BE FINAL, AND THE PROPOSED DISTRICT IS FORMED THIRTY DAYS AFTER THE BOARD OF SUPERVISORS VOTES TO FORM THE DISTRICT. A DECISION OF THE BOARD OF SUPERVISORS UNDER THIS SUBSECTION IS SUBJECT TO JUDICIAL REVIEW UNDER TITLE 12, CHAPTER 7, ARTICLE 6.

B. FOR THE PURPOSE OF DETERMINING THE VALIDITY OF THE PETITIONS PRESENTED PURSUANT TO SUBSECTION A, PARAGRAPH 7 OF THIS SECTION:

1. QUALIFIED ELECTORS SHALL BE THOSE PERSONS QUALIFIED TO VOTE PURSUANT TO TITLE 16.

2. PROPERTY HELD IN MULTIPLE OWNERSHIP SHALL BE TREATED AS IF IT HAD ONLY ONE PROPERTY OWNER, SO THAT THE SIGNATURE OF ONLY ONE OF THE OWNERS OF PROPERTY HELD IN MULTIPLE OWNERSHIP IS REQUIRED ON THE FORMATION PETITION.

C. IF A DISTRICT IS FORMED PURSUANT TO THIS SECTION, THE COST OF PUBLICATION OF THE NOTICE OF HEARING, THE MAILING OF NOTICES TO ELECTORS AND PROPERTY OWNERS AND ALL OTHER COSTS INCURRED BY THE COUNTY AS A RESULT OF THIS SECTION SHALL BE A CHARGE AGAINST THE DISTRICT.

D. A DISTRICT ORGANIZED PURSUANT TO THIS SECTION SHALL HAVE AN ORGANIZING BOARD OF DIRECTORS TO ADMINISTER THE AFFAIRS OF THE DISTRICT UNTIL A DULY CONSTITUTED BOARD OF DIRECTORS IS ELECTED AS PROVIDED IN THIS TITLE. THE ORGANIZING BOARD SHALL HAVE ALL THE POWERS, DUTIES AND RESPONSIBILITIES OF AN ELECTED BOARD. THE ORGANIZING BOARD SHALL CONSIST OF THE THREE INDIVIDUALS NAMED IN 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 CHAIRPERSON AND A CLERK. FOR ANY CHALLENGE TO THE FORMATION OF THE DISTRICT, THE DISTRICT BOARD IS A PROPER PARTY TO THE CHALLENGE AND ANY PETITION CIRCULATORS ARE NOT PROPER PARTIES.

E. FOR THE PURPOSES OF THIS ARTICLE, "NONCONTIGUOUS COUNTY ISLAND FIRE DISTRICT" MEANS A DISTRICT THAT IS FORMED PURSUANT TO THIS SECTION IN A COUNTY THAT HAS A POPULATION OF AT LEAST ONE MILLION FIVE HUNDRED THOUSAND PERSONS AND FOR WHICH ALL OF THE FOLLOWING APPLY:

1. THE DISTRICT CONSISTS OF ONLY NONCONTIGUOUS COUNTY ISLANDS IN A GEOGRAPHIC BOUNDARY AREA THAT IS CONTAINED IN A MUNICIPAL PLANNING AREA AND WITHIN THE BOUNDARIES OF AN AUTOMATIC AID CONSORTIUM WHERE THERE IS NO PRIVATE PROVIDER OF FIRE PROTECTION SERVICE AT THE TIME OF THE DISTRICT'S FORMATION.

2. FIRE PROTECTION SERVICES ARE NOT FUNDED PURSUANT TO SECTION 48-807 AT THE TIME OF THE DISTRICT'S FORMATION.

3. THERE IS ONLY ONE FIRE DISTRICT WITHIN THE GEOGRAPHIC AREA OF THE MUNICIPAL PLANNING AREA FOR ANY ONE CITY OR TOWN.

48-852. District board governance; elections

A. A FIRE DISTRICT FORMED PURSUANT TO THIS ARTICLE SHALL BE GOVERNED BY A FIVE MEMBER ELECTED BOARD, BUT SHALL BE GOVERNED INITIALLY BY A BOARD APPOINTED BY THE COUNTY BOARD OF SUPERVISORS FROM AMONG QUALIFIED ELECTORS OF THE PROPOSED COUNTY ISLAND FIRE DISTRICT. THE INITIAL APPOINTED BOARD SHALL SCHEDULE AN ELECTION TO BE HELD ON THE NEXT GENERAL ELECTION DATE. THE ELECTION SHALL BE HELD AS OTHERWISE PROVIDED BY LAW.

B. IF A VACANCY OCCURS ON THE DISTRICT BOARD OTHER THAN FROM EXPIRATION OF A TERM, THE REMAINING BOARD MEMBERS SHALL FILL THE VACANCY BY APPOINTMENT OF AN INTERIM MEMBER. IF THE ENTIRE BOARD RESIGNS OR FOR ANY

REASON CANNOT FULFILL ITS DUTIES, THE BOARD OF SUPERVISORS SHALL APPOINT AN ADMINISTRATOR TO ADMINISTER THE DISTRICT WITH THE SAME DUTIES AND OBLIGATIONS OF THE ELECTED BOARD. IF THE BOARD OF SUPERVISORS FAILS TO APPOINT AN ADMINISTRATOR WITHIN THIRTY DAYS, A SPECIAL ELECTION SHALL BE HELD TO FILL THE VACANCIES ON THE FIRE DISTRICT BOARD.

C. MEMBERS OF THE DISTRICT BOARD SHALL SERVE WITHOUT COMPENSATION, BUT MAY BE REIMBURSED FOR ACTUAL EXPENSES INCURRED IN PERFORMING DUTIES REQUIRED BY LAW.

D. THE DISTRICT BOARD SHALL ELECT FROM ITS MEMBERS A CHAIRPERSON AND A CLERK.

E. OF THE MEMBERS FIRST ELECTED TO THE DISTRICT BOARD, THE THREE PEOPLE RECEIVING THE FIRST, SECOND AND THIRD HIGHEST NUMBER OF VOTES SHALL BE ELECTED TO FOUR YEAR TERMS, AND THE TWO PEOPLE RECEIVING THE FOURTH AND FIFTH HIGHEST NUMBER OF VOTES SHALL BE ELECTED TO TWO YEAR TERMS. THEREAFTER, THE TERM OF OFFICE OF EACH DISTRICT BOARD MEMBER SHALL BE FOUR YEARS FROM THE FIRST DAY OF THE MONTH NEXT FOLLOWING SUCH MEMBER'S ELECTION.

48-853. District board; powers and duties; intergovernmental agreements; contract; administration; definition

A. A FIRE DISTRICT FORMED PURSUANT TO THIS ARTICLE, THROUGH ITS BOARD SHALL:

1. HOLD PUBLIC MEETINGS AT LEAST ONCE EACH CALENDAR MONTH.

2. PREPARE AN ANNUAL BUDGET THAT CONTAINS DETAILED ESTIMATED EXPENDITURES FOR EACH FISCAL YEAR AND THAT CLEARLY SHOWS EXPENSES OF THE DISTRICT. THE BUDGET SHALL BE POSTED IN THREE PUBLIC PLACES AND PUBLISHED IN A NEWSPAPER OF GENERAL CIRCULATION IN THE DISTRICT THIRTY DAYS BEFORE A PUBLIC HEARING AT A MEETING CALLED BY THE BOARD OR FIRE CHIEF TO ADOPT THE BUDGET. COPIES OF THE BUDGET SHALL ALSO BE AVAILABLE TO MEMBERS OF THE PUBLIC ON WRITTEN REQUEST TO THE DISTRICT. FOLLOWING THE PUBLIC HEARING, THE DISTRICT BOARD OR APPOINTED CHIEF SHALL ADOPT A BUDGET.

3. REQUIRE PROBATIONARY EMPLOYEES IN A PAID SWORN FIREFIGHTER POSITION, A RESERVE FIREFIGHTER POSITION OR A VOLUNTEER FIREFIGHTER POSITION OF A PROVIDER OF FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES TO SUBMIT A FULL SET OF FINGERPRINTS TO THE FIRE DISTRICT. THE FIRE DISTRICT SHALL SUBMIT THE FINGERPRINTS TO THE DEPARTMENT OF PUBLIC SAFETY FOR THE PURPOSE OF OBTAINING A STATE AND FEDERAL CRIMINAL RECORDS CHECK PURSUANT TO SECTION 41-1750 AND PUBLIC LAW 92-544. THE DEPARTMENT OF PUBLIC SAFETY MAY EXCHANGE THIS FINGERPRINT DATA WITH THE FEDERAL BUREAU OF INVESTIGATION. THIS PARAGRAPH DOES NOT APPLY TO PERSONNEL THAT ARE PROVIDED TO A FIRE DISTRICT BY ANY PUBLIC OR PRIVATE ENTITY THAT PROVIDES FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES TO THE FIRE DISTRICT AND THAT HAS ALREADY FULLY COMPLIED WITH FINGERPRINT SUBMITTAL REQUIREMENTS AS OTHERWISE PROVIDED BY LAW.

4. APPOINT THE FIRE CHIEF OF THE FIRE SERVICE PROVIDER SELECTED PURSUANT TO PARAGRAPH 8 OF THIS SUBSECTION, EITHER PUBLIC OR PRIVATE, AS THE FIRE CHIEF FOR THE DISTRICT.

5. ADOPT THE FIRE CODE OF THE MUNICIPALITY WHOSE MUNICIPAL PLANNING AREA INCLUDES THE DISTRICT EXCEPT THAT THE FIRE DISTRICT'S AUTHORITY TO CONDUCT INSPECTIONS SHALL APPLY ONLY TO COMMERCIAL AND INDUSTRIAL PROPERTIES AND SHALL NOT APPLY TO RESIDENTIAL PROPERTIES.

6. KEEP THREE COPIES OF THE APPLICABLE FIRE CODE, AMENDMENTS AND REVISIONS ON FILE FOR PUBLIC INSPECTION.

7. NOTIFY THE COUNTY BOARD OF SUPERVISORS OF THE COST OF PROVIDING FIRE PROTECTION SERVICE AND EMERGENCY MEDICAL SERVICE FOR EACH HOUSEHOLD OR OTHER STRUCTURE IN THE DISTRICT IF THE DISTRICT PROVIDES SERVICE PURSUANT TO PARAGRAPH 8, SUBDIVISION (a) OR (b) OF THIS SUBSECTION.

8. ACT WITHIN SIXTY DAYS AFTER THE FORMATION OF THE DISTRICT TO DO ANY OF THE FOLLOWING:

(a) ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH A MUNICIPAL PROVIDER FOR FIRE PROTECTION SERVICES FOR THE DISTRICT. A MUNICIPAL PROVIDER SEEKING TO ENTER INTO AGREEMENT WITH THE DISTRICT SHALL MAKE A FORMAL EXPRESSION OF INTENT TO ENTER INTO AN AGREEMENT WITH THE DISTRICT WITHIN TWENTY-ONE DAYS OF DISTRICT FORMATION.

(b) ISSUE A REQUEST FOR PROPOSALS FOR NONMUNICIPAL PRIVATE PROVIDERS OF FIRE PROTECTION SERVICES FOR THE DISTRICT. A REQUEST FOR PROPOSALS MAY ONLY BE ISSUED IF NO MUNICIPAL PROVIDERS OF FIRE PROTECTION SERVICES HAVE MADE AN EXPRESSION OF INTENT SEEKING TO ENTER INTO A FIRE PROTECTION AGREEMENT WITH THE DISTRICT. NOTWITHSTANDING ANY OTHER LAW, MUNICIPAL ANNEXATION SHALL NOT BE UNDERTAKEN DURING THE TERM OF ANY CONTRACT ENTERED INTO BETWEEN THE DISTRICT AND A PRIVATE FIRE SERVICE PROVIDER, EXCEPT THAT IN THE ONE HUNDRED EIGHTY DAY PERIOD BEFORE THE END OF THE CONTRACT, THE MUNICIPALITY SHALL NOTIFY THE RESIDENTS OF THE OPPORTUNITY TO ANNEX INTO THE MUNICIPALITY. A RESIDENT SHALL NOTIFY THE DISTRICT AND THE MUNICIPALITY WITHIN NINETY DAYS BEFORE THE END OF THE CONTRACT THAT THE RESIDENT IS ANNEXING INTO THE MUNICIPALITY AND SHALL COMPLETE THE ANNEXATION WITHIN TEN DAYS AFTER THE COMPLETION OF THE CONTRACT. IF NO DISTRICT RESIDENTS NOTIFY THE MUNICIPALITY THAT THE RESIDENT IS ANNEXING, THE DISTRICT MAY RENEW THE CONTRACT AUTOMATICALLY. IF A RESIDENT PROPOSES TO ANNEX INTO THE MUNICIPALITY, THE DISTRICT SHALL ISSUE A REQUEST FOR PROPOSALS AGAIN AS PRESCRIBED IN THIS SUBDIVISION.

(c) BEFORE APPLYING THIS SUBDIVISION, THE DISTRICT SHALL REQUEST AN INDEPENDENT REVIEW BY THE COUNTY ATTORNEY OF THE NEGOTIATIONS, IF ANY, THAT WERE CONDUCTED AS PRESCRIBED IN SUBDIVISION (a) OF THIS PARAGRAPH AND THE REQUEST FOR PROPOSALS AND RESULTING BIDS. AFTER THE INDEPENDENT REVIEW, THE COUNTY ATTORNEY SHALL CERTIFY WHETHER THE NEGOTIATIONS AND PROPOSALS WERE BASED ON COMMERCIALLY REASONABLE ASSUMPTIONS. IF THE COUNTY ATTORNEY CERTIFIES THAT ANY ONE OR MORE OF THE PROVISIONS ARE NOT COMMERCIALLY REASONABLE, THE DISTRICT AND THE OTHER PARTY TO THE NEGOTIATIONS HAVE TEN DAYS TO CURE AND CONTINUE NEGOTIATIONS BEFORE RESUBMITTING INFORMATION ON THE NEGOTIATIONS AND PROPOSALS TO THE COUNTY ATTORNEY FOR CERTIFICATION. NOTWITHSTANDING ANY OTHER LAW, THE COUNTY ATTORNEY SHALL HAVE ACCESS TO

SEALED BIDS FOR PURPOSES OF THIS SUBDIVISION. THE COUNTY ATTORNEY SHALL REVIEW AND ISSUE A CERTIFICATION PURSUANT TO THIS SUBDIVISION WITHIN THIRTY DAYS AFTER THE INFORMATION AND DOCUMENTS REGARDING NEGOTIATIONS AND PROPOSALS ARE SUBMITTED TO THE COUNTY ATTORNEY. IF A FIRE DISTRICT DOES NOT ENTER INTO AN INTERGOVERNMENTAL AGREEMENT PURSUANT TO SUBDIVISION (a) OF THIS PARAGRAPH OR ENTER INTO A CONTRACT PURSUANT TO SUBDIVISION (b) OF THIS PARAGRAPH, THE SURROUNDING MUNICIPALITY SHALL PROVIDE FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES EXCEPT FOR SERVICES REGULATED PURSUANT TO TITLE 36, CHAPTER 21.1 IN THE DISTRICT IMMEDIATELY ON REQUEST BY THE DISTRICT, FOLLOWING FINAL CERTIFICATION BY THE COUNTY ATTORNEY. THE MUNICIPALITY SHALL BE COMPENSATED BY THE DISTRICT AS FOLLOWS:

(i) A THREE PERSON BOARD SHALL SET THE SECONDARY PROPERTY TAX RATE FOR THE DISTRICT. THE DISTRICT SHALL APPOINT ONE PERSON TO THE BOARD, THE SURROUNDING MUNICIPALITY SHALL APPOINT ONE PERSON TO THE BOARD, AND THE TWO APPOINTEES SHALL AGREE ON A THIRD PERSON FOR THE BOARD. IF THE TWO APPOINTEES CANNOT AGREE ON A THIRD APPOINTEE WITHIN FIVE DAYS AFTER THE TWO PERSONS ARE APPOINTED, THE COUNTY BOARD OF SUPERVISORS SHALL APPOINT THE THIRD PERSON TO THE BOARD.

(ii) THE THREE PERSON BOARD SHALL MEET AND SET THE TAX RATE WITHIN THIRTY DAYS AFTER THE THIRD PERSON IS APPOINTED TO THE BOARD.

(iii) THE DISTRICT SHALL LEVY THE TAX AT THE RATE AS DETERMINED BY THE THREE PERSON BOARD AND THE TAX SHALL BE COLLECTED AS OTHER PROPERTY TAXES ARE COLLECTED. ON RECEIPT OF MONIES FROM THE PROPERTY TAX LEVIED, THE DISTRICT SHALL REIMBURSE THE COUNTY FOR THE COSTS ASSOCIATED WITH THE FORMATION OF THE DISTRICT, INCLUDING ADMINISTRATIVE EXPENSES, AND SHALL TRANSFER THE REMAINING MONIES TO THE SURROUNDING MUNICIPALITY.

9. REQUIRE THAT ANY INTERGOVERNMENTAL AGREEMENT OR CONTRACT BETWEEN THE DISTRICT AND A PROVIDER OF FIRE PROTECTION SERVICES TO INCLUDE:

(a) A TERM OF DURATION BETWEEN THREE AND FIVE YEARS.

(b) A PROVISION SETTING FORTH THE COST OF SERVICE AND PERFORMANCE CRITERIA.

(c) AN ACKNOWLEDGMENT OF THE RIGHT OF THE MUNICIPALITY TO DETERMINE THE LOCATION OF FUTURE INFRASTRUCTURE IF THE DISTRICT IS IN THE MUNICIPALITY'S PLANNING AREA AT THE TIME OF THE EXECUTION OF THE CONTRACT.

10. IF NECESSARY, ISSUE A REQUEST FOR PROPOSALS FOR PROVIDERS OF EMERGENCY MEDICAL SERVICES AND ENTER INTO AN INTERGOVERNMENTAL AGREEMENT OR CONTRACT WITH A PROVIDER OF EMERGENCY MEDICAL SERVICES EXCEPT FOR THOSE SERVICES REGULATED BY TITLE 36, CHAPTER 21.1.

11. ASSESS AND LEVY A SECONDARY PROPERTY TAX TO PAY FOR THE COSTS OF THE FIRE PROTECTION SERVICE OR EMERGENCY MEDICAL SERVICE EXCEPT FOR THOSE SERVICES REGULATED BY TITLE 36, CHAPTER 21.1. A SECONDARY PROPERTY TAX ASSESSED PURSUANT TO THIS SECTION IS NOT SUBJECT TO THE LEVY LIMITATION PRESCRIBED BY SECTION 48-807.

12. DEFEND, INDEMNIFY AND HOLD HARMLESS A MUNICIPAL PROVIDER OR ANY OTHER PROVIDER OF FIRE PROTECTION FROM AND AGAINST ANY CLAIMS OR EXPENSES TO

WHICH IT MAY BE SUBJECTED BY REASON OF INJURY OR DEATH OF ANY PERSON OR LOSS OR DAMAGE TO ANY PROPERTY DIRECTLY ATTRIBUTABLE TO THE PROVISION OF THE SERVICES UNLESS THE SERVICES WERE PROVIDED IN A GROSSLY NEGLIGENT MANNER. THE FIRE DISTRICT SHALL SECURE INSURANCE SUFFICIENT TO COVER LIABILITY EXPOSURE.

B. A FIRE DISTRICT FORMED PURSUANT TO THIS ARTICLE, THROUGH ITS BOARD, MAY:

1. CONTRACT FOR ADMINISTRATIVE STAFF SERVICES, IF ANY, DEEMED NECESSARY OR APPROPRIATE TO CARRY OUT ITS POWERS AND DUTIES, BUT A MEMBER OF A DISTRICT BOARD, SHALL NOT BE AN EMPLOYEE OF THE DISTRICT.

2. RETAIN A CERTIFIED PUBLIC ACCOUNTANT TO PERFORM AN ANNUAL AUDIT OF DISTRICT BOOKS.

3. RETAIN PRIVATE LEGAL COUNSEL.

4. SUE AND BE SUED.

5. ACCEPT GIFTS, CONTRIBUTIONS, BEQUESTS AND GRANTS AND COMPLY WITH ANY REQUIREMENTS OF SUCH GIFTS, CONTRIBUTIONS, BEQUESTS AND GRANTS NOT INCONSISTENT WITH THIS ARTICLE.

6. APPROPRIATE AND EXPEND ANNUALLY SUCH MONIES AS ARE NECESSARY FOR THE PURPOSE OF FIRE DISTRICTS BELONGING TO AND PAYING DUES IN THE ARIZONA FIRE DISTRICT ASSOCIATION AND OTHER PROFESSIONAL AFFILIATIONS OR ENTITIES.

C. THE COUNTY ATTORNEY MAY ADVISE AND REPRESENT THE DISTRICT WHEN IN THE COUNTY ATTORNEY'S JUDGMENT SUCH ADVICE AND REPRESENTATION ARE APPROPRIATE AND NOT IN CONFLICT WITH THE COUNTY ATTORNEY'S DUTIES UNDER SECTION 11-532. IF THE COUNTY ATTORNEY IS UNABLE TO ADVISE AND REPRESENT THE DISTRICT DUE TO A CONFLICT OF INTEREST, THE DISTRICT MAY RETAIN PRIVATE LEGAL COUNSEL OR MAY REQUEST THE ATTORNEY GENERAL TO REPRESENT IT, OR BOTH.

D. THE CHAIRPERSON AND CLERK OF THE DISTRICT BOARD OR THEIR RESPECTIVE DESIGNEES, AS APPLICABLE, SHALL DRAW WARRANTS ON THE COUNTY TREASURER FOR MONEY REQUIRED TO OPERATE THE DISTRICT IN ACCORDANCE WITH THE BUDGET AND, AS SO DRAWN, THE WARRANTS SHALL BE SUFFICIENT TO AUTHORIZE THE COUNTY TREASURER TO PAY FROM THE FIRE DISTRICT FUND.

E. THE DISTRICT SHALL NOT INCUR ANY DEBT OR LIABILITY IN EXCESS OF TAXES LEVIED AND TO BE COLLECTED AND THE MONEY ACTUALLY AVAILABLE AND UNENCUMBERED AT THE TIME IN THE FUND, EXCEPT AS PROVIDED IN SECTION 48-807.

F. IF A DISTRICT FORMED UNDER SECTION 48-851 AGREES TO PROVIDE FIRE AND EMERGENCY MEDICAL SERVICES IN A COUNTY ISLAND WHERE A PRIVATE PROVIDER OF FIRE OR EMERGENCY SERVICES ALREADY HAS FACILITIES OR PROVIDES SERVICE, THE DISTRICT AND THE PRIVATE PROVIDER SHALL ENTER INTO AN AGREEMENT COVERING THE ROLES AND RELATIONSHIPS REGARDING MUTUAL AID OR BACKUP AND ANY SERVICES FOR WHICH THE DISTRICT WISHES TO CONTRACT AND ANY REIMBURSEMENT OR BILLING AND COLLECTION PRACTICES. THE AGREEMENT SHALL BE EXECUTED BEFORE THE DISTRICT BEGINS PROVIDING SERVICE IN THE COUNTY ISLAND. A DISTRICT MAY ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH APPROPRIATE REGIONAL AUTOMATIC AID DISPATCH SYSTEMS.

G. THIS SECTION DOES NOT REQUIRE A FIRE DISTRICT OR A CITY OR TOWN TO PROVIDE FIRE PROTECTION OR EMERGENCY MEDICAL SERVICES TO AN AREA OF THE COUNTY THAT IS RECEIVING SERVICES FROM A PRIVATE PROVIDER, EXCEPT AS PROVIDED BY A MUTUAL AID OR BACKUP AGREEMENT PURSUANT TO THIS SECTION.

H. FOR THE PURPOSES OF THIS ARTICLE, "FIRE SERVICE" AND "FIRE PROTECTION" INCLUDE FIRE PREVENTION, EMERGENCY MEDICAL SERVICES, INSPECTION OF COMMERCIAL OR INDUSTRIAL PROPERTY WHERE A KNOWN CODE VIOLATION EXISTS AND ENFORCEMENT.

48-854. Municipality as service provider; indemnity; intergovernmental agreement

A. IF A MUNICIPALITY OR ANY OTHER BIDDER INTENDS TO SUBMIT A RESPONSE TO THE REQUEST FOR PROPOSALS UNDER SECTION 48-853, THE MUNICIPALITY OR OTHER BIDDER MAY DO ANY OF THE FOLLOWING BEFORE SUBMITTING ITS RESPONSE:

1. INSPECT THE COUNTY ISLAND PROPERTY IN ITS MUNICIPAL PLANNING AREA, INCLUDING INSPECTIONS FOR HAZARDOUS MATERIALS.

2. OBTAIN REPORTS FROM THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY AND THE ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY.

3. OBTAIN REPORTS FROM ANY OTHER INDUSTRY THAT IDENTIFIES ANY HAZARDOUS MATERIALS OR CONDITIONS IN THE AREAS OF THE FIRE DISTRICT IN THE MUNICIPALITY'S PLANNING AREA.

B. THIS SECTION DOES NOT PROHIBIT A MUNICIPALITY FROM ENTERING INTO AN INTERGOVERNMENTAL AGREEMENT WITH ANOTHER MUNICIPALITY OR A PRIVATE PROVIDER TO PROVIDE FIRE AND EMERGENCY MEDICAL SERVICES TO A FIRE DISTRICT FORMED PURSUANT TO THIS ARTICLE.

C. A MUNICIPALITY THAT PROVIDES FIRE OR EMERGENCY MEDICAL SERVICES PURSUANT TO AN INTERGOVERNMENTAL AGREEMENT WITH A FIRE DISTRICT FORMED PURSUANT TO SECTION 48-851 SHALL PROVIDE THE SERVICE PARTICULAR TO EACH COUNTY ISLAND CONSISTENT WITH THE GEOGRAPHY OF THE COUNTY ISLAND, LOCATION OF FIRE STATIONS, CURRENT INFRASTRUCTURE, WATER ACCESS, STREETS AND BUILDING CODES OF THE COUNTY ISLAND PROPERTY FOR WHICH SERVICE IS PROVIDED.

D. IF A MUNICIPALITY OR ANY OTHER PROVIDER CONTRACTS WITH A FIRE DISTRICT FORMED PURSUANT TO THIS ARTICLE, THE MUNICIPALITY OR OTHER PROVIDER IS LIABLE ONLY IF THE MUNICIPALITY OR OTHER PROVIDER IS GROSSLY NEGLIGENT IN PROVIDING FIRE OR EMERGENCY MEDICAL SERVICES TO THE FIRE DISTRICT.

Sec. 14. Legislative review of fire services

If fire protection and emergency medical services are required to be provided by a municipality after certification pursuant to section 48-853, subsection A, paragraph 8, subdivision (c), Arizona Revised Statutes, as added by this act, the legislature shall convene one or more hearings to review the provision of fire protection services and to consider other appropriate means to require services to reduce the risk of loss of life in noncontiguous county island fire districts.

Sec. 15. Emergency

This act is an emergency measure that is necessary to preserve the public peace, health or safety and is operative immediately as provided by law.

Emergency NOT Enacted

PASSED BY THE HOUSE MAY 22, 2007.

PASSED BY THE SENATE MAY 29, 2007.

PRESENTED TO THE GOVERNOR ON MAY 29, 2007.
IN ACCORDANCE WITH ARIZONA CONSTITUTION, ARTICLE 5, SECTION 7, ANY BILL NOT RETURNED WITHIN FIVE DAYS AFTER PRESENTED TO THE GOVERNOR (SUNDAY EXCEPTED) SUCH BILL SHALL BECOME A LAW IN LIKE MANNER AS IF HE [SIC] HAD SIGNED IT.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 4, 2007.

Passed the House March 21, 2007 by the following vote: 55 Ayes, 2 Nays, 3 Not Voting With Emergency

Speaker of the House

Norman L. Moore

Chief Clerk of the House

Passed the Senate April 18, 2007 by the following vote: 20 Ayes, 7 Nays, 3 Not Voting With Emergency

Timothy S. Bee

President of the Senate

Shawnin Bedford

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

_____ day of _____, 20_____

at _____ o'clock _____M.

_____

Secretary to the Governor

Approved this _____day of

_____

at _____o'clock _____M.

_____

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this _____ day of _____, 20_____

at _____ o'clock _____M.

_____

Secretary of State

ON RECONSIDERATION
H.B. 2780

Passed the House March 20, 2007

by the following vote: 38 Ayes,

19 Nays, 3 Not Voting

without Emergency

Speaker of the House

Pro Tempore

Chief Clerk of the House

Passed the Senate _____, 20____

by the following vote: _____Ayes,

_____Nays, _____ Not Voting

President of the Senate

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

_____ day of _____, 20_____

at _____ o'clock _____M.

Secretary to the Governor

Approved this _____day of

_____

at _____o'clock _____M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this _____ day of _____, 20_____

at _____ o'clock _____M.

Secretary of State

HOUSE FINAL PASSAGE
as per Joint Conference

Passed the House May 22, 2007

by the following vote: 31 Ayes,

29 Nays, 0 Not Voting

without Emergency

Speaker of the House

Pro Tempore

Chief Clerk of the House

SENATE FINAL PASSAGE
as per Joint Conference

Passed the Senate May 29, 2007

by the following vote: 16 Ayes,

5 Nays, 9 Not Voting

President of the Senate

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

29th day of May, 2007

at 4:00 o'clock p. M.

Secretary to the Governor

Approved this _____ day of

_____

at _____ o'clock _____ M.

_____

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 4 day of June, 2007

at 4:36 o'clock p. M.

Secretary of State

H.B. 2780