

House Engrossed Senate Bill

**FILED**

**KEN BENNETT  
SECRETARY OF STATE**

State of Arizona  
Senate  
Fiftieth Legislature  
Second Regular Session  
2012

CHAPTER 347

# **SENATE BILL 1407**

AN ACT

AMENDING SECTIONS 48-261, 48-262, 48-266, 48-851 AND 48-853 ARIZONA REVISED  
STATUTES; RELATING TO FIRE DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

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

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

9 1. Any adult person desiring to propose creation of a district shall  
10 PROVIDE A LEGAL DESCRIPTION OF THE AREA PROPOSED FOR INCLUSION IN THE  
11 DISTRICT TO THE COUNTY ASSESSOR OF THE COUNTY IN WHICH THE DISTRICT IS TO BE  
12 LOCATED. THE COUNTY ASSESSOR SHALL PROVIDE TO THE PERSON PROPOSING FORMATION  
13 OF THE DISTRICT A DETAILED LIST OF ALL TAXED PROPERTIES IN THE AREA PROPOSED  
14 FOR INCLUSION IN THE DISTRICT. THE PERSON PROPOSING FORMATION OF THE  
15 DISTRICT SHALL prepare and submit a district impact statement to the board of  
16 supervisors of the county in which the district is to be located. Except for  
17 a proposed community park maintenance district that is to be located in more  
18 than one county, if a proposed district is located in more than one county,  
19 the impact statement shall be submitted to the board of supervisors of the  
20 county in which the majority of the assessed valuation of the proposed  
21 district is located. The boards of supervisors of any other counties in  
22 which a portion of the district is to be located shall provide information  
23 and assistance to the responsible board of supervisors. For a community park  
24 maintenance district that is to be located in more than one county, the  
25 impact statement shall be submitted to the board of supervisors for each of  
26 the affected counties. If the person desiring to create a district pursuant  
27 to this section is unable to complete the district impact statement, the  
28 board of supervisors may assist in the completion of the impact statement if  
29 requested to do so, provided the bond required in subsection C of this  
30 section is in an amount sufficient to cover any additional cost to the  
31 county. The district impact statement shall contain at least the following  
32 information:

33 (a) A legal description of the boundaries of the proposed district and  
34 a ~~detailed, accurate~~ map AND A GENERAL DESCRIPTION of the area to be included  
35 in the district SUFFICIENTLY DETAILED TO PERMIT A PROPERTY OWNER TO DETERMINE  
36 WHETHER A PARTICULAR PROPERTY IS WITHIN THE PROPOSED DISTRICT.

37 (b) THE DETAILED LIST OF TAXED PROPERTIES PROVIDED BY THE ASSESSOR  
38 PURSUANT TO THIS PARAGRAPH.

39 ~~(b)~~ (c) An estimate of the assessed valuation within the proposed  
40 district.

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

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

1           ~~(e)~~ (f) A list and explanation of the injuries that ~~will~~ MAY result  
2 from the proposed district.

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

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

9           2. On receipt of the district impact statement, the board of  
10 supervisors shall set a day, not fewer than thirty nor more than sixty days  
11 from that date, for a hearing on the impact statement. The board of  
12 supervisors, at any time before making a determination pursuant to paragraph  
13 4 of this subsection, may require that the impact statement be amended to  
14 include any information that the board of supervisors deems to be relevant  
15 and necessary.

16           3. On receipt of the district impact statement, the clerk of the board  
17 of supervisors shall mail, by first class mail, ~~written notice of the~~  
18 ~~statement, its purpose and~~ notice of the day, hour and place of the hearing  
19 on the proposed district to each owner of taxable property ~~and to each~~  
20 ~~household in which a qualified elector resides~~ within the boundaries of the  
21 proposed district. THE WRITTEN NOTICE SHALL STATE THE PURPOSE OF THE HEARING  
22 AND SHALL STATE WHERE A COPY OF THE IMPACT STATEMENT MAY BE VIEWED OR  
23 REQUESTED. The clerk of the board of supervisors shall post the notice in at  
24 least three conspicuous public places in the area of the proposed district  
25 and shall publish twice in a daily newspaper of general circulation in the  
26 area of the proposed district, at least ten days before the hearing, or, if  
27 no daily newspaper of general circulation exists in the area of the proposed  
28 district, at least twice at any time before the date of the hearing, a notice  
29 setting forth the purpose of the impact statement, the description of the  
30 area of the proposed district and the day, hour and place of the hearing.

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

1 PETITIONS OF ONLY ONE PROPOSED NEW DISTRICT OF THE SAME TYPE IN WHICH ANY  
2 PROPERTY OWNER'S LAND IS PROPOSED FOR INCLUSION. NO NEW PETITION CIRCULATION  
3 SHALL BE AUTHORIZED UNTIL THE ONE-YEAR PERIOD TO SUBMIT SIGNATURES PRESCRIBED  
4 BY SECTION 48-261, SUBSECTION A, PARAGRAPH 6, OF THE ORIGINAL PETITION  
5 CIRCULATION HAS EXPIRED OR HAS OTHERWISE BEEN EXTINGUISHED.

6 5. Within fifteen days after receiving the approval of the board of  
7 supervisors as prescribed by paragraph 4 of this subsection, the clerk of the  
8 board shall determine the minimum number of signatures AND ASSESSED VALUATION  
9 required for compliance with paragraph 7 of this subsection. After making  
10 that determination, ~~that~~ THE number of signatures shall remain fixed AND THE  
11 ASSESSED VALUATION OF THE TAXED PROPERTIES WITHIN THE BOUNDARIES OF THE  
12 PROPOSED DISTRICT SHALL REMAIN FIXED FOR PURPOSES OF DETERMINING COMPLIANCE  
13 WITH THE PROPERTY VALUATION REQUIREMENT PRESCRIBED IN PARAGRAPH 7 OF THIS  
14 SUBSECTION.

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

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

25 (a) At all times, contain a ~~legal~~ MAP AND GENERAL description of the  
26 boundaries of the proposed district and ~~a detailed, accurate map of the~~  
27 ~~proposed district~~ SUFFICIENTLY DETAILED TO PERMIT A PROPERTY OWNER TO  
28 DETERMINE WHETHER A PARTICULAR PROPERTY IS WITHIN THE PROPOSED DISTRICT and  
29 the names, addresses and occupations of the proposed members of the  
30 district's organizing board of directors. No alteration of the proposed  
31 district shall be made after receiving the approval of the board of  
32 supervisors as provided in paragraph 4 of this subsection. THE ITEMS  
33 REQUIRED TO BE CONTAINED WITH THE PETITION UNDER THIS SUBSECTION SHALL BE  
34 PRINTED ON THE BACK OF THE PETITION FORM REQUIRED PURSUANT TO SECTION 48-266  
35 UNLESS THE SIZE OF THE ITEMS PRECLUDE THIS REQUIREMENT.

36 (b) Be signed by OWNERS OF more than one-half of the ~~property owners~~  
37 TAXED PROPERTY UNITS in the area of the proposed district and be signed by  
38 persons owning collectively more than one-half of the assessed valuation of  
39 the property in the area of the proposed district. PROPERTY EXEMPT PURSUANT  
40 TO TITLE 42, CHAPTER 11, ARTICLE 3 SHALL NOT BE CONSIDERED IN DETERMINING THE  
41 TOTAL ASSESSED VALUATION OF THE PROPOSED DISTRICT NOR SHALL OWNERS OF  
42 PROPERTY NOT SUBJECT TO TAXATION BE ELIGIBLE TO SIGN PETITIONS.

43 (c) AN ERROR IN THE LEGAL DESCRIPTION OF THE PROPOSED DISTRICT SHALL  
44 NOT INVALIDATE THE PETITIONS IF CONSIDERED AS A WHOLE THE INFORMATION

1 PROVIDED IS SUFFICIENT TO IDENTIFY THE PROPERTY AS ILLUSTRATED IN THE MAP  
2 REQUIRED PURSUANT TO SUBSECTION A OF THIS SECTION.

3 8. On receipt of the petitions, the board of supervisors shall set a  
4 day, not fewer than ten nor more than thirty days from that date, for a  
5 hearing on the petition. THE HEARING SHALL BE POSTPONED IF A TIMELY REQUEST  
6 TO SUPPLEMENT PETITION SIGNATURES IS MADE PURSUANT TO SECTION 48-266,  
7 SUBSECTION K, SO THAT ANY SUPPLEMENTAL PETITION SIGNATURES SUBMITTED PURSUANT  
8 TO THAT SECTION MAY BE CONSIDERED BY THE BOARD OF SUPERVISORS. THE POSTPONED  
9 HEARING SHALL BE HELD NO MORE THAN THIRTY DAYS AFTER THE SUBMISSION OF ANY  
10 SUPPLEMENTAL PETITION SIGNATURES.

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

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

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

30 1. Property held in multiple ownership shall be treated as if it had  
31 only one property owner, so that the signature of only one of the owners of  
32 property held in multiple ownership is required on the formation petition.  
33 THE NUMBER OF PERSONS OWNING PROPERTY INSIDE THE BOUNDARIES OF THE PROPOSED  
34 DISTRICT SHALL BE DETERMINED AS FOLLOWS:

35 (a) IN THE CASE OF PROPERTY ASSESSED BY THE COUNTY ASSESSOR, THE  
36 NUMBER OF PERSONS OWNING PROPERTY SHALL BE AS SHOWN ON THE MOST RECENT  
37 ASSESSMENT OF PROPERTY.

38 (b) IN THE CASE OF PROPERTY VALUED BY THE DEPARTMENT OF REVENUE, THE  
39 NUMBER OF PERSONS OWNING PROPERTY SHALL BE AS SHOWN ON THE MOST RECENT  
40 VALUATION OF PROPERTY.

41 (c) IF AN UNDIVIDED PARCEL OF PROPERTY IS OWNED BY MULTIPLE OWNERS,  
42 THOSE OWNERS ARE DEEMED TO BE ONE OWNER FOR THE PURPOSES OF THIS SECTION.

43 (d) IF A PERSON OWNS MULTIPLE PARCELS OF PROPERTY, THAT OWNER IS  
44 DEEMED TO BE A SINGLE OWNER FOR THE PURPOSES OF THIS SECTION.

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

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

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

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

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

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

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

34 G. A district organized pursuant to this section shall have an  
35 organizing board of directors to administer the affairs of the district until  
36 a duly constituted board of directors is elected as provided in this title.  
37 The organizing board shall have all the powers, duties and responsibilities  
38 of an elected board. The organizing board shall consist of the three  
39 individuals named in the district impact statement and the petitions  
40 presented pursuant to subsection A of this section. If a vacancy occurs on  
41 the organizing board, the remaining board members shall fill the vacancy by  
42 appointing an interim member. Members of the organizing board shall serve  
43 without compensation but may be reimbursed for actual expenses incurred in  
44 performing their duties. The organizing board shall elect from its members a  
45 chairman and a clerk.

1 H. For the purposes of this section assessed valuation does not  
2 include ~~the assessed valuation of property that is owned by a county, this~~  
3 ~~state or the United States government and in the case of multiple ownership~~  
4 ~~of a single parcel of property, any one property owner constitutes the entire~~  
5 ~~ownership interest~~ PROPERTY EXEMPT PURSUANT TO TITLE 42, CHAPTER 11,  
6 ARTICLE 3.

7 Sec. 2. Section 48-262, Arizona Revised Statutes, is amended to read:  
8 48-262. District boundary changes; procedures; notice; hearing;  
9 determinations; petitions

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

13 1. Any adult person desiring to propose any change to the boundaries  
14 of a district shall PROVIDE A LEGAL DESCRIPTION OF THE AREA PROPOSED FOR  
15 INCLUSION IN THE DISTRICT TO THE COUNTY ASSESSOR OF THE COUNTY IN WHICH THE  
16 DISTRICT IS TO BE LOCATED. THE COUNTY ASSESSOR SHALL PROVIDE TO THE PERSON  
17 PROPOSING ANY CHANGE TO THE BOUNDARIES OF THE DISTRICT A DETAILED LIST OF ALL  
18 TAXED PROPERTIES IN THE AREA PROPOSED FOR INCLUSION IN THE DISTRICT. THE  
19 PERSON PROPOSING ANY CHANGE TO THE BOUNDARIES OF THE DISTRICT SHALL prepare  
20 and submit a boundary change impact statement to the governing body of the  
21 district. The boundary change impact statement shall contain at least the  
22 following information:

23 (a) A legal description of the boundaries of the area to be included  
24 within the proposed change and a ~~detailed, accurate~~ map AND GENERAL  
25 DESCRIPTION of the area SUFFICIENTLY DETAILED TO PERMIT A PROPERTY OWNER TO  
26 DETERMINE WHETHER A PARTICULAR PROPERTY IS WITHIN THE PROPOSED DISTRICT. The  
27 boundaries of the proposed change shall not overlap with the boundaries of  
28 any other proposed new district of the same type or any annexation by a  
29 district of the same type for which petitions are being circulated on the  
30 date that the boundary change impact statement is filed with the governing  
31 body.

32 (b) THE DETAILED LIST OF TAXED PROPERTIES PROVIDED BY THE ASSESSOR  
33 PURSUANT TO THIS PARAGRAPH.

34 ~~(b)~~ (c) An estimate of the assessed valuation within the boundaries  
35 of the proposed change.

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

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

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

1           ~~(f)~~ (g) A list and explanation of the injuries that ~~will~~ MAY result  
2 from the proposed change to residents of the area and of the remainder of the  
3 district.

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

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

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

30           5. At the hearing called pursuant to paragraph 2 of this subsection,  
31 the governing body shall consider the comments of the board of supervisors,  
32 hear those who appear for and against the proposed change and determine  
33 whether the proposed change will promote the public health, comfort,  
34 convenience, necessity or welfare. If the governing body determines that the  
35 public health, comfort, convenience, necessity or welfare will be promoted,  
36 it shall approve the impact statement and authorize the persons proposing the  
37 change to circulate petitions as provided in this subsection. The order of  
38 the governing body shall be final, but if the request to circulate petitions  
39 is denied, a subsequent request for a similar change may be refiled with the  
40 governing body after six months from the date of such denial. THE COUNTY  
41 BOARD OF SUPERVISORS SHALL AUTHORIZE THE CIRCULATION OF PETITIONS FOR ONLY  
42 ONE BOUNDARY CHANGE OF A DISTRICT OF THE SAME TYPE IN WHICH ANY PROPERTY  
43 OWNER'S LAND IS PROPOSED FOR INCLUSION. NO NEW PETITION CIRCULATION SHALL BE  
44 AUTHORIZED UNTIL THE ONE-YEAR PERIOD TO SUBMIT SIGNATURES SET BY

1 SUBSECTION B, PARAGRAPH 3 OF THIS SECTION OF THE ORIGINAL PETITION  
2 CIRCULATION HAS EXPIRED OR HAS OTHERWISE BEEN EXTINGUISHED.

3 6. EXCEPT AS PROVIDED BY SECTION 48-851, the governing body shall not  
4 approve a proposed annexation if the property to be annexed is not contiguous  
5 with the district's existing boundary. For purposes of determining whether  
6 or not the proposed addition is contiguous, the addition is deemed contiguous  
7 if land that is owned by or under the jurisdiction of the United States  
8 government, this state or any political subdivision of this state, other than  
9 an incorporated city or town, intervenes between the proposed addition and  
10 the current district boundary.

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

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

18 9. Within fifteen days after receiving the approval of the governing  
19 body as prescribed by paragraph 5 of this subsection, the clerk of the board  
20 shall determine the minimum number of signatures AND THE ASSESSED VALUATION  
21 required to comply with paragraph 10, subdivision (b) of this subsection.  
22 After making that determination, ~~that~~ THE number of signatures shall remain  
23 fixed AND THE ASSESSED VALUATION OF THE TAXED PROPERTIES WITHIN THE  
24 BOUNDARIES OF THE PROPOSED CHANGE SHALL REMAIN FIXED FOR PURPOSES OF  
25 DETERMINING COMPLIANCE, notwithstanding any subsequent changes in ownership  
26 of the property within the boundaries of the proposed change.

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

30 (a) At all times, contain a ~~legal~~ MAP AND GENERAL description of the  
31 boundaries of the area to be included within the proposed change ~~and a~~  
32 ~~detailed, accurate map of the area~~ SUFFICIENTLY DETAILED TO PERMIT A PROPERTY  
33 OWNER TO DETERMINE WHETHER A PARTICULAR PROPERTY IS included within the  
34 proposed change. No alteration of the described area shall be made after  
35 receiving the approval of the governing body as provided in paragraph 5 of  
36 this subsection. THE ITEMS REQUIRED TO BE CONTAINED WITH THE PETITION UNDER  
37 THIS SUBSECTION SHALL BE PRINTED ON THE BACK OF THE PETITION FORM REQUIRED  
38 PURSUANT TO SECTION 48-266 UNLESS THE SIZE OF THE ITEMS PRECLUDE THIS  
39 REQUIREMENT.

40 (b) Be signed by OWNERS OF more than one-half of the ~~property owners~~  
41 TAXED PROPERTY UNITS within the boundaries of the proposed change and be  
42 signed by persons owning collectively more than one-half of the assessed  
43 valuation of the property within the boundaries of the proposed change.  
44 PROPERTY EXEMPT PURSUANT TO TITLE 42, CHAPTER 11, ARTICLE 3 SHALL NOT BE  
45 CONSIDERED IN DETERMINING THE TOTAL ASSESSED VALUATION OF THE PROPOSED CHANGE

1 NOR SHALL OWNERS OF PROPERTY NOT SUBJECT TO TAXATION BE ELIGIBLE TO SIGN  
2 PETITIONS.

3 (c) AN ERROR IN THE LEGAL DESCRIPTION OF THE PROPOSED CHANGE SHALL NOT  
4 INVALIDATE THE PETITIONS IF CONSIDERED AS A WHOLE THE INFORMATION PROVIDED IS  
5 SUFFICIENT TO IDENTIFY THE PROPERTY AS ILLUSTRATED IN THE MAP REQUIRED  
6 PURSUANT TO SUBSECTION A OF THIS SECTION.

7 11. On receipt of the petitions, the governing body shall set a day,  
8 not fewer than ten nor more than thirty days from that date, for a hearing on  
9 the request. THE HEARING SHALL BE POSTPONED IF A TIMELY REQUEST TO  
10 SUPPLEMENT PETITION SIGNATURES IS MADE PURSUANT TO SECTION 48-266,  
11 SUBSECTION K, SO THAT ANY SUPPLEMENTAL PETITION SIGNATURES SUBMITTED PURSUANT  
12 TO THAT SECTION MAY BE CONSIDERED BY THE BOARD OF SUPERVISORS. THE POSTPONED  
13 HEARING SHALL BE HELD NO MORE THAN THIRTY DAYS AFTER THE SUBMISSION OF ANY  
14 SUPPLEMENTAL PETITION SIGNATURES.

15 12. Prior to the hearing called pursuant to paragraph 11 of this  
16 subsection, the board of supervisors shall determine the validity of the  
17 petitions presented pursuant to subsection B of this section.

18 13. At the hearing called pursuant to paragraph 11 of this subsection,  
19 the governing body, if the petitions are valid, shall order the change to the  
20 boundaries. The governing body shall enter its order setting forth its  
21 determination in the minutes of the meeting, not later than ten days from the  
22 day of the hearing, and a copy of the order shall be sent to the officer in  
23 charge of elections and a copy shall be recorded in the county recorder's  
24 office. The order of the governing body shall be final, and the proposed  
25 change shall be made to the district boundaries thirty days after the  
26 governing body votes.

27 14. On filing a verified complaint with the superior court, the  
28 attorney general, the county attorney or any other interested party may  
29 question the validity of the annexation for failure to comply with this  
30 section. The complaint shall include a description of the alleged  
31 noncompliance and shall be filed within thirty days after the governing body  
32 of the district adopts a resolution that annexes the territory of the  
33 district. The burden of proof is on the plaintiff to prove the material  
34 allegations of the verified complaint. An action shall not be brought to  
35 question the validity of an annexation resolution unless it is filed within  
36 the time and for the reasons prescribed in this subsection. All hearings  
37 that are held pursuant to this paragraph and all appeals of any orders shall  
38 be preferred and shall be heard and determined in preference to all other  
39 civil matters, except election actions. If more than one complaint  
40 questioning the validity of an annexation resolution is filed, all such  
41 complaints shall be consolidated for the hearing.

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

44 1. Property held in multiple ownership shall be treated as if it had  
45 only one property owner, so that the signature of only one of the owners of

1 property held in multiple ownership is required on the boundary change  
2 petition. THE NUMBER OF PERSONS OWNING PROPERTY INSIDE THE BOUNDARIES OF THE  
3 BOUNDARY CHANGE SHALL BE DETERMINED AS FOLLOWS:

4 (a) IN THE CASE OF PROPERTY ASSESSED BY THE COUNTY ASSESSOR, THE  
5 NUMBER OF PERSONS OWNING PROPERTY SHALL BE AS SHOWN ON THE MOST RECENT  
6 ASSESSMENT OF PROPERTY.

7 (b) IN THE CASE OF PROPERTY VALUED BY THE DEPARTMENT OF REVENUE, THE  
8 NUMBER OF PERSONS OWNING PROPERTY SHALL BE AS SHOWN ON THE MOST RECENT  
9 VALUATION OF PROPERTY.

10 (c) IF AN UNDIVIDED PARCEL OF PROPERTY IS OWNED BY MULTIPLE OWNERS,  
11 THOSE OWNERS ARE DEEMED TO BE ONE OWNER FOR THE PURPOSE OF THIS SECTION.

12 (d) IF A PERSON OWNS MULTIPLE PARCELS OF PROPERTY, THAT OWNER IS  
13 DEEMED TO BE A SINGLE OWNER FOR THE PURPOSES OF THIS SECTION.

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

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

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

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

34 C. For the purposes of determining whether or not the proposed  
35 addition is contiguous, the addition is deemed contiguous if land that is  
36 owned by or under the jurisdiction of the United States government, this  
37 state or any political subdivision of this state, other than an incorporated  
38 city or town, intervenes between the proposed addition and the current  
39 district boundary. Property shall not be approved for annexation if the area  
40 proposed to be annexed surrounds any unincorporated territory and that  
41 unincorporated territory is not also included in the district.

42 D. If the change in the boundaries proposed pursuant to subsection A  
43 of this section would result in a withdrawal of territory from an existing  
44 district, the petitions shall be approved by the governing body only if the

1 proposed withdrawal would not result in a noncontiguous portion of the  
2 district that is less than one square mile in size.

3 E. If the impact statement described in subsection A of this section  
4 relates to the withdrawal of property from a district, in addition to the  
5 other requirements of subsection A of this section, the governing body shall  
6 also determine:

7 1. If the district has any existing outstanding bonds or other  
8 evidences of indebtedness.

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

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

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

16 2. The governing body shall:

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

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

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

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

32 H. Except as provided in subsection D of this section and section  
33 48-2002, no change in the boundaries of a district pursuant to this section  
34 shall result in a district which contains area that is not contiguous.

35 I. Notwithstanding subsection A of this section, any property owner,  
36 including a county, this state or the United States government, whose land is  
37 within a county that contains a sanitary district or fire district and whose  
38 land is contiguous to the boundaries of the sanitary district or fire  
39 district may request in writing that the governing body of the district amend  
40 the district boundaries to include that property owner's land. If the  
41 property is located in an incorporated city or town, in addition to the other  
42 requirements prescribed in this subsection, the governing body of the fire  
43 district or sanitary district may approve the boundary change only if the  
44 governing body of the affected city or town by ordinance or resolution has  
45 approved the inclusion of the property in the district. ~~A request made~~

1 ~~pursuant to this subsection shall be made before the county board of~~  
2 ~~supervisors orders the creation of a proposed new district of the same type~~  
3 ~~or the district governing body orders the annexation by a district of the~~  
4 ~~same type in which the property owner's land is proposed for inclusion and~~  
5 ~~for which petitions are being circulated.~~ If the governing body determines  
6 that the inclusion of that property will benefit the district and the  
7 property owner, the boundary change may be made by order of the governing  
8 body and is final on the recording of the governing body's order that  
9 includes a legal description of the property that is added to the district.  
10 ~~If the governing body does not order the boundary change, the land shall be~~  
11 ~~included in the boundaries of the proposed new district of the same type or~~  
12 ~~annexation by a district of the same type in which the property owner's land~~  
13 ~~is proposed for inclusion and for which petitions are being circulated.~~ A  
14 petition and impact statement are not required for an amendment to a sanitary  
15 district's or fire district's boundaries made pursuant to this subsection.

16 J. A fire district shall not annex or otherwise add territory that is  
17 already included in another existing fire district, unless deannexed pursuant  
18 to subsections D, E and F of this section.

19 K. A fire district, community park maintenance district or sanitary  
20 district may appropriate and spend monies as necessary or reasonably required  
21 to assist one or more individuals or entities to change the district's  
22 boundaries pursuant to this section.

23 L. Notwithstanding subsection A of this section, if an incorporated  
24 city or town has previously adopted a resolution designating a fire district  
25 as the fire service agency for the city or town, the jurisdictional  
26 boundaries of the fire district without further notice or election shall be  
27 changed to include any property annexed into the city or town. If the  
28 annexation occurs pursuant to a joint petition for annexation, any joint  
29 petition for annexation shall clearly indicate in its title and in the notice  
30 required in the petition that the property to be annexed will be subject to  
31 the jurisdiction of both the city or town and the fire district. A joint  
32 petition for annexation shall comply with both section 9-471 and this  
33 section. Any fire district boundary change that occurs through city or town  
34 annexation pursuant to this subsection is effective on the effective date of  
35 the annexation by the incorporated city or town. If an incorporated city or  
36 town that has designated a fire district as the fire service agency for that  
37 city or town annexes property that is already part of another fire district,  
38 the annexed property shall remain part of the fire district in which it was  
39 located before the city or town's annexation.

40 M. NOTWITHSTANDING SUBSECTION I OF THIS SECTION, FROM THE EFFECTIVE  
41 DATE OF THIS AMENDMENT TO THIS SECTION UNTIL JULY 1, 2015, IN COUNTIES WITH A  
42 POPULATION OF MORE THAN TWO MILLION FIVE HUNDRED THOUSAND PERSONS, ANY  
43 PROPERTY OWNER, INCLUDING THE UNITED STATES, THIS STATE OR A COUNTY, WHOSE  
44 LAND IS WITHIN TWO THOUSAND SIX HUNDRED FORTY FEET OF AN ADJACENT SANITARY  
45 DISTRICT OR FIRE DISTRICT, NOT CONTIGUOUS TO THE BOUNDARIES OF THE SANITARY

1 DISTRICT OR FIRE DISTRICT MAY REQUEST IN WRITING THAT THE GOVERNING BODY OF  
2 THE DISTRICT AMEND THE DISTRICT BOUNDARIES TO INCLUDE THAT PROPERTY OWNER'S  
3 LAND. IF THE PROPERTY IS LOCATED IN AN INCORPORATED CITY OR TOWN, IN  
4 ADDITION TO THE OTHER REQUIREMENTS PRESCRIBED IN THIS SUBSECTION, THE  
5 GOVERNING BODY OF THE SANITARY DISTRICT OR FIRE DISTRICT MAY APPROVE THE  
6 BOUNDARY CHANGE ONLY IF THE GOVERNING BODY OF THE AFFECTED CITY OR TOWN, BY  
7 ORDINANCE OR RESOLUTION, HAS APPROVED THE INCLUSION OF THE PROPERTY IN THE  
8 DISTRICT. IF THE GOVERNING BODY DETERMINES THAT THE INCLUSION OF THAT  
9 PROPERTY WILL BENEFIT THE DISTRICT AND THE PROPERTY OWNER, THE BOUNDARY  
10 CHANGE MAY BE MADE BY ORDER OF THE GOVERNING BODY AND IS FINAL ON THE  
11 RECORDING OF THE GOVERNING BODY'S ORDER THAT INCLUDES A GENERAL DESCRIPTION  
12 OF THE PROPERTY INCLUDING THE ASSESSOR'S PARCEL NUMBER, THAT IS ADDED TO THE  
13 DISTRICT. A PETITION AND IMPACT STATEMENT ARE NOT REQUIRED FOR AN AMENDMENT  
14 TO A SANITARY DISTRICT'S OR FIRE DISTRICT'S BOUNDARIES MADE PURSUANT TO THIS  
15 SUBSECTION.

16 ~~M.~~ N. For the purposes of this section, assessed valuation does not  
17 include ~~the assessed valuation of property that is owned by a county, this~~  
18 ~~state or the United States government.~~ PROPERTY EXEMPT PURSUANT TO TITLE 42,  
19 CHAPTER 11, ARTICLE 3.

20 Sec. 3. Section 48-266, Arizona Revised Statutes, is amended to read:  
21 48-266. Petitions of property owners; form; verification

22 A. THE SECRETARY OF STATE SHALL PROMULGATE SAMPLE PETITION FORMS, WITH  
23 INSTRUCTIONS FOR COMPLETING THE FORM, THAT COMPLY WITH THE REQUIREMENTS OF  
24 THIS STATUTE. PETITIONS THAT CONFORM TO THE SAMPLE FORM WILL BE DEEMED TO  
25 HAVE COMPLIED WITH SECTIONS B, C AND D OF THIS SECTION. PETITIONS THAT DO  
26 NOT CONFORM TO THE SAMPLE PETITION ARE VOID AND SHALL NOT BE COUNTED IN  
27 DETERMINING THE LEGAL SUFFICIENCY OF THE PETITION.

28 ~~A.~~ B. A petition of property owners that is submitted to comply with  
29 section 48-261, subsection A, paragraph 7 shall contain a heading that  
30 clearly identifies the type of petition circulated and a statement that  
31 clearly describes the type of action being proposed. The petition shall be  
32 in a form that is substantially similar to the following:

33 Special taxing district creation petition

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

35 We the undersigned, property owners of (insert name of  
36 county), state of Arizona and owning property within the  
37 boundaries as illustrated and defined on the attached  
38 exhibit(s), legal description and map of the proposed  
39 boundaries, petition the county board of supervisors to create a  
40 (insert description of district) as described in the attached  
41 exhibit(s). I have personally signed this petition with my  
42 first and last names. I have not signed any other petition for  
43 the same measure. I am a property owner of the state of Arizona,  
44 county of \_\_\_\_\_.

1 Notice: this is only a description of the district sought  
2 to be created by the sponsor of the measure. It may not include  
3 every provision contained in the measure. Before signing, make  
4 sure the exhibits are attached. You have the right to read or  
5 examine the district impact statement before signing.

6 Warning

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

9 1. Sign a district creation petition with a name other  
10 than the person's own name, except in a circumstance where the  
11 person signs for another person, in the presence of and at the  
12 specific request of that person, who is incapable of signing  
13 that person's own name because of physical infirmity.

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

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

18	Signature	Name	Actual	Arizona	City or	Date
19		(first and	Address	Post Office	Town	
20		last name	(street &	Address	(if any)	
21		printed)	no. and if	& Zip		
22			no street	Code		
23			address,			
24			describe			
25			residence			
26			location)			

27 (Fifteen numbered lines for signatures)

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

33 Special taxing district annexation petition

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

35 We the undersigned, property owners of (insert name of  
36 county), state of Arizona and owning property within the  
37 boundaries as illustrated and defined on the attached  
38 exhibit(s), legal description and map of the proposed  
39 boundaries, petition the district to annex the territory as  
40 described in the attached exhibit(s). The area petitioning for  
41 annexation, if approved by the governing body of the district,  
42 shall become part of the annexing district and subject to all  
43 relevant provisions of the Arizona revised statutes. I have  
44 personally signed this petition with my first and last names. I

1 have not signed any other petition for the same measure. I am a  
2 property owner of the state of Arizona, county of \_\_\_\_\_.

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

9 Warning

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

12 1. Sign a district annexation petition with a name other  
13 than the person's own name, except in a circumstance where the  
14 person signs for another person, in the presence of and at the  
15 specific request of that person, who is incapable of signing  
16 that person's own name because of physical infirmity.

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

19 3. Sign a district annexation petition if the person is  
20 not a property owner.

21	Signature	Name	Actual	Arizona	City or	Date
22		(first and	Address	Post Office	Town	
23		last name	(street &	Address	(if any)	
24		printed)	no. and if	& Zip		
25			no street	Code		
26			address,			
27			describe			
28			residence			
29			location)			

30 (Fifteen numbered lines for signatures)

31 ~~C.~~ D. Each petition sheet shall have printed in capital letters in no  
32 less than twelve point bold-faced type in the upper right-hand corner of the  
33 face of the petition sheet the following:

34 "\_\_\_\_\_ paid circulator" "\_\_\_\_\_ volunteer"

35 ~~D.~~ E. A circulator of petitions shall state whether the circulator is  
36 a paid circulator or volunteer by checking the appropriate line on the  
37 petition form before circulating the petition for signatures

38 ~~E.~~ F. Signatures obtained on petitions in violation of subsection C  
39 of this section are void and shall not be counted in determining the legal  
40 sufficiency of the petition. The presence of signatures that are invalidated  
41 under this subsection on a petition does not invalidate other signatures on  
42 the petition that were obtained as prescribed by this section.

43 ~~F.~~ G. At the time of signing, the property owner shall sign the  
44 property owner's first and last names in the spaces provided and the property  
45 owner so signing for the person circulating the petition shall print the

1 first and last names and write, in the appropriate spaces following the  
2 signature, the signer's residence address, giving street and number, and if  
3 property owner has no street address, a description of the residence  
4 location. The property owner so signing or the person circulating the  
5 petition shall write, in the appropriate spaces following the property  
6 owner's address, the date on which the property owner signed the petition.

7 ~~G.~~ H. The title and text of petitions shall be in at least eight  
8 point type.

9 ~~H.~~ I. The eight point type required by subsection G of this section  
10 does not apply to maps, charts or other graphics.

11 ~~I.~~ J. The board of supervisors or other governing body of a political  
12 subdivision that receives a petition pursuant to this section shall submit a  
13 copy of the signature sheets to the county assessor for verification. The  
14 county assessor shall:

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

17 2. Determine the total assessed valuation of the property owned by the  
18 persons whose names are signed on the petition.

19 ~~J.~~ K. The county assessor shall report the results of the  
20 verification to the board of supervisors or other governing body within ten  
21 days after receiving the copy of the signature sheets, not including  
22 Saturdays, Sundays and other legal holidays.

23 L. IF THE REPORT OF THE COUNTY ASSESSOR PREPARED PURSUANT TO  
24 SUBSECTION K OF THIS SECTION DETERMINES THAT THE VALID SIGNATURES SUBMITTED  
25 ARE INSUFFICIENT TO MEET THE REQUIREMENTS OF SECTION 48-261, SUBSECTION A,  
26 PARAGRAPH 7, SUBDIVISION (b) AND THE ONE-YEAR PERIOD TO SUBMIT SIGNATURES  
27 PURSUANT TO SECTION 48-261, SUBSECTION A, PARAGRAPH 6 HAS NOT YET EXPIRED OR  
28 SECTION 48-262, SUBSECTION A, PARAGRAPH 10, SUBDIVISION (b), AND THE ONE-YEAR  
29 PERIOD TO SUBMIT SIGNATURES PURSUANT TO SECTION 48-262, SUBSECTION B,  
30 PARAGRAPH 3 HAS NOT YET EXPIRED, THE PERSON SUBMITTING THE PETITIONS MAY  
31 REQUEST THAT ANY HEARING ON THE PETITIONS BE EXTENDED BY A PERIOD OF UP TO  
32 THIRTY DAYS TO PERMIT SUBMISSION OF ADDITIONAL PETITION SIGNATURES. THE  
33 REQUEST TO EXTEND MUST BE MADE WITHIN FIVE DAYS FROM THE PREPARATION OF THE  
34 COUNTY ASSESSOR'S REPORT OR BEFORE THE CONCLUSION OF THE BOARD OF  
35 SUPERVISORS' HEARING ON THE PETITIONS, WHICHEVER IS EARLIER. ONLY ONE  
36 REQUEST TO EXTEND MAY BE MADE, AND ONLY ONE ADDITIONAL SUBMISSION OF  
37 PETITIONS MAY BE MADE DURING THE EXTENSION PERIOD. THE ADDITIONAL SUBMISSION  
38 MUST BE MADE WITHIN THE ONE-YEAR PERIOD TO SUBMIT SIGNATURES SET BY  
39 SECTION 48-261, SUBSECTION A, PARAGRAPH 6 OR SECTION 48-262, SUBSECTION B,  
40 PARAGRAPH 3. IF ADDITIONAL SIGNATURES ARE SUBMITTED, THEY SHALL BE SUBMITTED  
41 TO THE COUNTY ASSESSOR FOR VERIFICATION PURSUANT TO SUBSECTIONS I AND J OF  
42 THIS SECTION.

1           Sec. 4. Section 48-851, Arizona Revised Statutes, is amended to read:  
2           48-851. Noncontiguous county island fire district; formation;  
3                           definition

4           A. A noncontiguous county island fire district shall be formed by the  
5 following procedures:

6           1. One or more persons who wish to petition for a noncontiguous county  
7 island fire district shall request and the county assessor shall provide a  
8 map AND A DETAILED LIST OF ALL PROPERTY PARCELS THAT INCLUDES THE ASSESSED  
9 VALUES of all of the county island areas that are contained within the  
10 municipal planning area of a city OR OTHER UNINCORPORATED AREA AS PRESCRIBED  
11 IN SUBSECTION E, PARAGRAPH 2 OF THIS SECTION.

12           2. Within ~~thirty~~ SIXTY days after receiving a map from the county  
13 assessor, the person shall submit a revised map that indicates those county  
14 island areas that are proposed to be included in the noncontiguous county  
15 island fire district and shall submit A DISTRICT IMPACT STATEMENT THAT SHALL  
16 CONTAIN AT LEAST THE FOLLOWING: ~~the names and addresses of three persons who~~  
17 ~~are proposed to serve as the organizing board of the district~~

18           (a) A GENERAL DESCRIPTION OF THE BOUNDARIES OF THE PROPOSED DISTRICT,  
19 A MAP OF THE AREA TO BE INCLUDED IN THE DISTRICT AND A LIST OF THE PARCELS TO  
20 BE INCLUDED IN THE DISTRICT BY ASSESSOR PARCEL NUMBER.

21           (b) AN ESTIMATE OF THE ASSESSED VALUATION WITHIN THE PROPOSED  
22 DISTRICT.

23           (c) AN ESTIMATE OF THE CHANGE IN THE PROPERTY TAX LIABILITY, AS A  
24 RESULT OF THE PROPOSED DISTRICT, OF A TYPICAL RESIDENT OF THE PROPOSED  
25 DISTRICT.

26           (d) A LIST AND EXPLANATION OF BENEFITS THAT WILL RESULT FROM THE  
27 PROPOSED DISTRICT.

28           (e) A LIST AND EXPLANATION OF THE INJURIES THAT WILL RESULT FROM THE  
29 PROPOSED DISTRICT.

30           (f) THE NAMES, ADDRESSES AND OCCUPATIONS OF THE THREE PROPOSED MEMBERS  
31 OF THE DISTRICT'S ORGANIZING BOARD OF DIRECTORS.

32           (g) A DESCRIPTION OF THE SCOPE OF SERVICES TO BE PROVIDED BY THE  
33 DISTRICT DURING ITS FIRST FIVE YEARS OF OPERATION.

34           3. On receipt of the revised map and the ~~proposed organizing board's~~  
35 ~~membership~~ IMPACT STATEMENT, the board of supervisors shall set a day for a  
36 hearing on the proposed district formation NOT MORE THAN SIXTY DAYS FROM THE  
37 DATE THE MAP AND IMPACT STATEMENT ARE RECEIVED.

38           4. The clerk of the board of supervisors shall mail, by first class  
39 mail, written notice ~~of the statement, its purpose and notice~~ of the day,  
40 hour and place of the hearing on the proposed district to each owner of  
41 taxable property ~~and to each household in which a qualified elector resides~~  
42 within the boundaries of the proposed district. THE WRITTEN NOTICE SHALL  
43 STATE THE PURPOSE OF THE HEARING AND SHALL STATE WHERE A COPY OF THE IMPACT  
44 STATEMENT MAY BE VIEWED OR REQUESTED. The clerk of the board of supervisors  
45 shall post the notice in at least three conspicuous public places in the area

1 of the proposed district and shall publish twice in a daily newspaper of  
2 general circulation in the area of the proposed district, at least ten days  
3 before the hearing, or, if no daily newspaper of general circulation exists  
4 in the area of the proposed district, at least twice at any time before the  
5 date of the hearing, a notice setting forth the purpose of the proposed  
6 district formation, the description of the area of the proposed district and  
7 the day, hour and place of the hearing.

8 5. At the hearing called pursuant to paragraph 3 of this subsection,  
9 the board of supervisors shall hear those who appear for and against the  
10 proposed district and shall determine whether the creation of the district  
11 will promote public health, comfort, convenience, necessity or welfare. If  
12 the board of supervisors determines that the public health, comfort,  
13 convenience, necessity or welfare will be promoted, it shall authorize the  
14 persons proposing the district to circulate petitions as provided in this  
15 subsection. The order of the board of supervisors shall be final, but if the  
16 request to circulate petitions is denied, a subsequent request for a similar  
17 district may be refiled with the board of supervisors after six months from  
18 the date of the denial.

19 6. Within fifteen days after receiving the approval of the board of  
20 supervisors as prescribed by paragraph 5 of this subsection, the clerk of the  
21 board shall:

22 (a) determine the minimum number of signatures required for compliance  
23 with paragraph 8, subdivision (b) of this subsection. After making that  
24 determination, that number of signatures shall remain fixed, ~~notwithstanding~~  
25 ~~any subsequent changes in voter registration records.~~

26 (b) CERTIFY WHETHER THE PETITION FORM TO BE USED IS VALID AND IN  
27 COMPLIANCE WITH SECTION 48-266.

28 7. After receiving the approval of the board of supervisors as  
29 provided in paragraph 5 of this subsection, any adult person may circulate  
30 and present petitions to the board of supervisors of the county in which the  
31 district is located. All petitions circulated shall be returned to the board  
32 of supervisors within one year from the date of the approval of the board of  
33 supervisors pursuant to paragraph 5 of this subsection. Any petition that is  
34 returned more than one year from that date is void. On authorization of the  
35 board of supervisors to circulate petitions, the organizing board of the  
36 district established pursuant to ~~paragraph 2~~ of this subsection may enter  
37 into written agreements with third parties to provide services related to the  
38 formation of the district that may include the cost of circulating petitions  
39 and associated expenses, but in no event may the cost of reimbursable  
40 expenses exceed fifteen dollars per parcel. The district shall reimburse  
41 third parties subject to the successful formation of the district and on  
42 receipt of secondary property tax revenues by the district.

43 8. The petitions presented pursuant to paragraph 7 of this subsection  
44 shall comply with the provisions regarding verification in section 48-266 and  
45 shall:

1 (a) At all times, contain a ~~legal~~ GENERAL description of the  
2 boundaries of the proposed district, ~~and a detailed, accurate~~ THE ASSESSOR'S  
3 map of the proposed district and the names, addresses and occupations of the  
4 proposed members of the district's organizing board of directors. No  
5 alteration of the proposed district shall be made after receiving the  
6 approval of the board of supervisors as provided in paragraph 5 of this  
7 subsection.

8 (b) Be signed by more than one-half of the aggregate number of  
9 property owners in the county island areas contained in the proposed  
10 district.

11 9. On receipt of the petitions, the board of supervisors shall set a  
12 day, not more than thirty days from that date, for a hearing on the petition.

13 10. Before the hearing called pursuant to paragraph 9 of this  
14 subsection, the board of supervisors shall determine the validity of the  
15 petition signatures presented. At the hearing called pursuant to paragraph 9  
16 of this subsection, the board of supervisors, if the petitions are valid,  
17 shall order the formation of the district. The board of supervisors shall  
18 enter its order setting forth its determination in the minutes of the  
19 meeting, not later than ten days from the day of the hearing, and a copy of  
20 the order shall be filed in the county recorder's office. The order of the  
21 board of supervisors shall be final, and the proposed district is formed  
22 thirty days after the board of supervisors votes to form the district. A  
23 decision of the board of supervisors under this subsection is subject to  
24 judicial review under title 12, chapter 7, article 6.

25 B. For the purpose of determining the validity of the petitions  
26 presented pursuant to subsection A, paragraph 7 of this section property held  
27 in multiple ownership shall be treated as if it had only one property owner,  
28 so that the signature of only one of the owners of property held in multiple  
29 ownership is required on the formation petition.

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

34 D. A district organized pursuant to this section shall have an  
35 organizing board of directors to administer the affairs of the district until  
36 a duly constituted board of directors is elected as provided in this title.  
37 The organizing board shall have all the powers, duties and responsibilities  
38 of an elected board. The organizing board shall consist of the three  
39 individuals named in the petitions presented pursuant to subsection A of this  
40 section. If a vacancy occurs on the organizing board, the remaining board  
41 members shall fill the vacancy by appointing an interim member. Members of  
42 the organizing board shall serve without compensation but may be reimbursed  
43 for actual expenses incurred in performing their duties. The organizing  
44 board shall elect from its members a chairperson and a clerk. For any

1 challenge to the formation of the district, the district board is a proper  
2 party to the challenge and any petition circulators are not proper parties.

3 E. For the purposes of this article, "noncontiguous county island fire  
4 district" means a district that is formed pursuant to this section ~~in a~~  
5 ~~county that has a population of at least one million five hundred thousand~~  
6 ~~persons~~ and for which either OF THE FOLLOWING applies:

7 1. The district consists of only noncontiguous county islands in a  
8 geographic boundary area that is contained in a municipal planning area and:

9 (a) Is within the boundaries of an automatic aid OR MUTUAL AID  
10 consortium ~~in which there is no private provider of fire protection service~~  
11 ~~at the time of the district's formation.~~

12 (b) Fire protection services are not funded pursuant to section 48-807  
13 at the time of the district's formation.

14 (c) There is only one fire district within the geographic area of the  
15 municipal planning area for any one city or town.

16 2. The district consists of only one or more noncontiguous county  
17 islands that are not contained in a municipal planning area in which the  
18 geographic boundary area of the district is surrounded by any combination of  
19 federal, state, COUNTY, municipal or fire district jurisdictional boundaries  
20 and:

21 (a) The area is currently served by a private fire protection service  
22 provider.

23 (b) Fire protection services are not funded pursuant to section 48-807  
24 at the time of the district's formation.

25 Sec. 5. Section 48-853, Arizona Revised Statutes, is amended to read:  
26 48-853. District board; powers and duties; intergovernmental  
27 agreements; contract; administration; definition

28 A. A fire district formed pursuant to this article, through its board  
29 shall:

30 1. Hold public meetings as necessary to carry out its powers and  
31 duties but at least once every ninety days.

32 2. Prepare an annual budget that contains detailed estimated  
33 expenditures for each fiscal year and that clearly shows expenses of the  
34 district. The budget shall be posted in three public places and published in  
35 a newspaper of general circulation in the district twenty days before a  
36 public hearing at a meeting called by the board to adopt the budget. The  
37 budget shall be posted in a prominent location on the official website no  
38 later than seven business days after the estimates of revenues and expenses  
39 are tentatively adopted. A complete copy of the approved estimates of  
40 revenues and expenses shall be posted in a prominent location on the official  
41 website no later than seven business days after final adoption. Copies of  
42 the budget shall also be available to members of the public on written  
43 request to the district. Following the public hearing, the district board  
44 shall adopt a budget. Both the tentatively adopted estimates of revenues and  
45 expenses and the budget finally adopted under this section shall be retained

1 and accessible in a prominent location on the official website for at least  
2 sixty months.

3 ~~3. The district shall~~ Maintain a website for the purpose of providing  
4 access to public records. The district shall post permanent public records  
5 to its website.

6 ~~4. The district shall~~ Maintain and store all permanent public records  
7 in an electronic media or digital imaging format according to standards for  
8 the storage of permanent public records established by the director of the  
9 Arizona state library, archives and public records. The director of the  
10 Arizona state library, archives and public records shall approve an  
11 acceptable electronic media or digital imaging format for the district. The  
12 county in which the district is located shall maintain an official copy of  
13 the permanent public records of the district. The copy of the permanent  
14 public records shall be provided to the county by the district annually no  
15 later than ninety days after the end of the fiscal year.

16 ~~5. Require probationary employees in a paid sworn firefighter~~  
17 ~~position, a reserve firefighter position or a volunteer firefighter position~~  
18 ~~of a provider of fire protection and emergency medical services to submit a~~  
19 ~~full set of fingerprints to the fire district. The fire district shall~~  
20 ~~submit the fingerprints to the department of public safety for the purpose of~~  
21 ~~obtaining a state and federal criminal records check pursuant to section~~  
22 ~~41-1750 and Public Law 92-544. The department of public safety may exchange~~  
23 ~~this fingerprint data with the federal bureau of investigation. This~~  
24 ~~paragraph does not apply to personnel that are provided to a fire district by~~  
25 ~~any public or private entity that provides fire protection and emergency~~  
26 ~~medical services to the fire district and that has already fully complied~~  
27 ~~with fingerprint submittal requirements as otherwise provided by law.~~

28 ~~6.~~ 5. Appoint the fire chief of the fire service provider selected  
29 pursuant to paragraph ~~10~~ 9 of this subsection, either public or private, as  
30 the fire chief for the district.

31 ~~7.~~ 6. Adopt the fire code of the municipality whose municipal  
32 planning area includes the district except that the fire district's authority  
33 to conduct inspections shall apply only to commercial and industrial  
34 properties and shall not apply to residential properties.

35 ~~8.~~ 7. Keep three copies of the applicable fire code, amendments and  
36 revisions on file for public inspection.

37 ~~9.~~ 8. Notify the county board of supervisors of the cost of providing  
38 fire protection service and emergency medical service for each household or  
39 other structure in the district if the district provides service pursuant to  
40 paragraph ~~10~~ 9, subdivision (a) or (c) of this subsection.

41 ~~10.~~ 9. Act within sixty days after the formation of the district to do  
42 any of the following:

43 (a) If the district is formed pursuant to section 48-851,  
44 subsection E, paragraph 1, enter into an intergovernmental agreement with a  
45 municipal provider for fire protection services for the district. A

1 municipal provider seeking to enter into an agreement with the district  
2 formed pursuant to section 48-851, subsection E, paragraph 1 shall make a  
3 formal expression of intent to enter into an agreement with the district  
4 within twenty-one days of district formation.

5 (b) If the district is formed pursuant to section 48-851,  
6 subsection E, paragraph 2, enter into a contract with a private fire  
7 protection service provider for ~~a~~ THE district ~~formed pursuant to section~~  
8 ~~48-851, subsection E, paragraph 2~~. The private fire protection service  
9 provider seeking to enter into a contract with the district shall make a  
10 formal expression of intent within twenty-one days of district formation to  
11 enter into the contract with the district. If the private fire protection  
12 service provider makes a formal expression of intent to enter into a contract  
13 with the district, the provider shall have a right of first refusal to  
14 contract with the district on terms established by the district pursuant to  
15 ~~subsection A, paragraph 8, subdivision (c) of this section~~ PARAGRAPH.

16 (c) Issue a request for proposals for nonmunicipal private providers  
17 of fire protection services for the district if the current private provider  
18 fails to notify the district of its intention to enter into a contract with  
19 the district or for any contract to be awarded pursuant to ~~subsection A,~~  
20 ~~paragraph 8, subdivision (b) of this section~~ PARAGRAPH. Notwithstanding any  
21 other law, municipal annexation shall not be undertaken during the term of  
22 any contract entered into between the district and a private fire service  
23 provider, except that in the one hundred eighty day period before the end of  
24 the contract, the municipality shall notify the residents of the opportunity  
25 to annex into the municipality. A resident shall notify the district and the  
26 municipality within ninety days before the end of the contract that the  
27 resident is annexing into the municipality and shall complete the annexation  
28 within ten days after the completion of the contract. If no district  
29 residents notify the municipality that the resident is annexing, the district  
30 may renew the contract automatically. If a resident proposes to annex into  
31 the municipality, the district shall issue a request for proposals again as  
32 prescribed in this subdivision.

33 (d) Before applying this subdivision, request an independent review by  
34 the county attorney of the negotiations, if any, that were conducted as  
35 prescribed in subdivision (a) of this paragraph and the request for proposals  
36 and resulting bids. After the independent review, the county attorney shall  
37 certify whether the negotiations and proposals were based on commercially  
38 reasonable assumptions. If the county attorney certifies that any one or  
39 more of the provisions are not commercially reasonable, the district and the  
40 other party to the negotiations have ten days to cure and continue  
41 negotiations before resubmitting information on the negotiations and  
42 proposals to the county attorney for certification. Notwithstanding any  
43 other law, the county attorney shall have access to sealed bids for purposes  
44 of this subdivision. The county attorney shall review and issue a  
45 certification pursuant to this subdivision within thirty days after the

1 information and documents regarding negotiations and proposals are submitted  
2 to the county attorney. If a fire district as defined in section 48-851,  
3 subsection E, paragraph 1 does not enter into an intergovernmental agreement  
4 pursuant to subdivision (a) of this paragraph or enter into a contract  
5 pursuant to subdivision (c) of this paragraph, the surrounding municipality  
6 shall provide fire protection and emergency medical services except for  
7 services regulated pursuant to title 36, chapter 21.1 in the district  
8 immediately on request by the district, following final certification by the  
9 county attorney. The municipality shall be compensated by the district as  
10 follows:

11 (i) A three person board shall set the secondary property tax rate for  
12 the district. The district shall appoint one person to the board, the  
13 surrounding municipality shall appoint one person to the board, and the two  
14 appointees shall agree on a third person for the board. If the two  
15 appointees cannot agree on a third appointee within five days after the two  
16 persons are appointed, the county board of supervisors shall appoint the  
17 third person to the board.

18 (ii) The three person board shall meet and set the tax rate within  
19 thirty days after the third person is appointed to the board.

20 (iii) The district shall levy the tax at the rate as determined by the  
21 three person board and the tax shall be collected as other property taxes are  
22 collected. On receipt of monies from the property tax levied, the district  
23 shall reimburse the county for the costs associated with the formation of the  
24 district, including administrative expenses, ~~and shall transfer the remaining~~  
25 ~~monies to the surrounding municipality.~~

26 (e) On formation and subject to the availability of funds, reimburse  
27 third parties for services rendered pursuant to section 48-851, subsection A,  
28 paragraph 7.

29 ~~11-~~ 10. Require that any intergovernmental agreement or contract  
30 between the district and a provider of fire protection services include:

31 (a) A term of duration between three and five years.

32 (b) A provision setting forth the cost of service and performance  
33 criteria.

34 (c) An acknowledgment of the right of the municipality to determine  
35 the location of future infrastructure if the district is in the  
36 municipality's planning area at the time of the execution of the contract.

37 ~~12-~~ 11. If necessary, issue a request for proposals for providers of  
38 emergency medical services and enter into an intergovernmental agreement or  
39 contract with a provider of emergency medical services except for those  
40 services regulated by title 36, chapter 21.1.

41 ~~13-~~ 12. Assess and levy a secondary property tax to pay for the costs  
42 of the fire protection service or emergency medical service except for those  
43 services regulated by title 36, chapter 21.1. A secondary property tax  
44 assessed pursuant to this section is not subject to the levy limitation  
45 prescribed by section 48-807.

1       ~~14.~~ 13. Defend, indemnify and hold harmless a municipal provider or  
2 any other provider of fire protection from and against any claims or expenses  
3 to which it may be subjected by reason of injury or death of any person or  
4 loss or damage to any property directly attributable to the provision of the  
5 services unless the services were provided in a grossly negligent manner.  
6 The fire district shall secure insurance sufficient to cover liability  
7 exposure.

8       B. A fire district formed pursuant to this article, through its board,  
9 may:

10       1. Contract for administrative staff services, if any, deemed  
11 necessary or appropriate to carry out its powers and duties, but a member of  
12 a district board shall not be an employee of the district.

13       2. Retain a certified public accountant to perform an annual audit of  
14 district books.

15       3. Retain private legal counsel.

16       4. Sue and be sued.

17       5. Accept gifts, contributions, bequests and grants and comply with  
18 any requirements of such gifts, contributions, bequests and grants not  
19 inconsistent with this article.

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

23       7. EXPAND ITS BOUNDARIES PURSUANT TO THE REQUIREMENTS OF SECTION  
24 48-262 TO INCLUDE UNINCORPORATED PARCELS WITHIN A CITY OR A TOWN'S MUNICIPAL  
25 PLANNING AREA WITH THE PERMISSION OF THE CITY OR TOWN.

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

32       D. The chairperson and clerk of the district board or their respective  
33 designees, as applicable, shall draw warrants on the county treasurer for  
34 money required to operate the district in accordance with the budget and, as  
35 so drawn, the warrants shall be sufficient to authorize the county treasurer  
36 to pay from the fire district fund.

37       E. The district shall not incur any debt or liability in excess of  
38 taxes levied and to be collected and the money actually available and  
39 unencumbered at the time in the fund, except as provided in section 48-807.

40       F. If a district formed under section 48-851 agrees to provide fire  
41 and emergency medical services in a county island where a private provider of  
42 fire or emergency services ~~already~~ has facilities ~~or~~ AND provides FIRE  
43 service, OR WHERE THE PRIVATE PROVIDER IS THE CLOSEST RESPONDING FIRE SERVICE  
44 PROVIDER, the district and the private provider shall enter into an agreement  
45 covering the roles and relationships regarding mutual aid or backup and any

1 services for which the district wishes to contract ~~and any reimbursement or~~  
2 ~~billing and collection practices.~~ THE AGREEMENT SHALL INCLUDE AN ALLOCATION  
3 OF THE DISTRICT'S PROPERTY TAX REVENUES TO THE MUNICIPAL CONTRACTOR AND OR  
4 THE PRIVATE PROVIDER BASED ON THE PROPORTIONATE SHARE OF THE FIRE SERVICES  
5 EACH CONTRACTOR WILL PROVIDE TO THE DISTRICT. The agreement shall be  
6 executed before the district begins providing service in the county island.  
7 ~~A district may enter into an intergovernmental agreement with appropriate~~  
8 ~~regional automatic aid dispatch systems.~~ IF AN AGREEMENT IS NOT REACHED  
9 WITHIN NINETY DAYS AFTER THE DISTRICT REQUESTS THE PRIVATE PROVIDER TO  
10 ESTABLISH A PLAN, EITHER PARTY MAY REQUEST THAT THE MATTER BE ARBITRATED  
11 PURSUANT TO TITLE 12, CHAPTER 21.

12 G. This section does not require a fire district or a city or town to  
13 provide fire protection or emergency medical services to an area of the  
14 county that is receiving services from a private provider, except as provided  
15 by a mutual aid or backup agreement pursuant to this section.

16 H. For the purposes of this article, "fire service" and "fire  
17 protection" include fire prevention, emergency medical services, AND  
18 inspection of commercial or industrial property ~~where a known code violation~~  
19 ~~exists and enforcement.~~

20 Sec. 6. Effective date

21 Section 48-266, Arizona Revised Statutes, as amended by this act, is  
22 effective from and after January 1, 2013.

APPROVED BY THE GOVERNOR MAY 14, 2012.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 14, 2012.

Passed the House May 2, 2012,

by the following vote: 58 Ayes,

0 Nays, 2 Not Voting

[Signature]  
Speaker of the House

[Signature]  
Chief Clerk of the House

Passed the Senate February 28, 2012

by the following vote: 29 Ayes,

1 Nays, 0 Not Voting

[Signature]  
President of the Senate

[Signature]  
Secretary of the Senate

~~EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR  
This Bill was received by the Governor this  
\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,  
at \_\_\_\_\_ o'clock \_\_\_\_\_ M.  
\_\_\_\_\_  
Secretary to the Governor~~

~~Approved this \_\_\_\_\_ day of  
\_\_\_\_\_, 20\_\_\_\_,  
at \_\_\_\_\_ o'clock \_\_\_\_\_ M.  
\_\_\_\_\_  
Governor of Arizona~~

S.B. 1407

~~EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE  
This Bill was received by the Secretary of State  
this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,  
at \_\_\_\_\_ o'clock \_\_\_\_\_ M.  
\_\_\_\_\_  
Secretary of State~~

SENATE CONCURS IN HOUSE  
AMENDMENTS AND FINAL PASSAGE

Passed the Senate May 2, 20 12

by the following vote: 29 Ayes,

1 Nays, 0 Not Voting

Steve Pierce  
President of the Senate

Charmian Bellenguez  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill received by the Governor this

2nd day of May, 20 12

at 3:58 o'clock P M.

[Signature]  
Secretary to the Governor

Approved this 14th day of

May

at 11:05 o'clock A. M.

[Signature]  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 14<sup>th</sup> day of May, 20 12

at 3:21 o'clock P M.

[Signature]  
Secretary of State

S.B. 1407