House Engrossed Senate Bill

FILED
MICHELE REAGAN
SECRETARY OF STATE

State of Arizona
Senate
Fifty-second Legislature
Second Regular Session
2016

CHAPTER 219

SENATE BILL 1244

AN ACT

AMENDING SECTIONS 35-144, 37-623.02, 48-805.02 AND 48-807, ARIZONA REVISED STATUTES; RELATING TO FIRE DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 35-144, Arizona Revised Statutes, is amended to read:

35-144. Budget stabilization fund; definitions

A. The budget stabilization fund is established consisting of monies transferred from the state general fund pursuant to subsection B of this section. The state treasurer shall administer the fund and invest and divest monies in the fund as provided by sections 35-313 and 35-314.02, and monies earned from investment shall be credited to the fund. Except as provided by this section:

1. Monies in the fund are exempt from the provisions of section 35-190 relating to the reversion of monies to the state general fund.

2. The monies in the fund are separate monies to be used only for the purposes of the fund.

3. AN AMOUNT SUFFICIENT TO PAY CLAIMS CERTIFIED BY THE STATE FORESTER PURSUANT TO SECTION 37-623.02, SUBSECTION E, PARAGRAPH 4 IS CONTINUOUSLY APPROPRIATED FROM THE FUND TO THE STATE TREASURER FOR PAYMENT OF THE CERTIFIED CLAIMS. NOT MORE THAN TEN MILLION DOLLARS IN UNREIMBURSED CLAIMS MAY BE OUTSTANDING FROM THE FUND AT ANY TIME FROM THE MONIES APPROPRIATED PURSUANT TO THIS PARAGRAPH.

B. In a calendar year in which the annual growth rate exceeds the trend growth rate, the excess growth when multiplied by total general fund revenue of the fiscal year ending in the calendar year determines the amount to be appropriated by the legislature to the budget stabilization fund in the fiscal year in which the calendar year ends.

C. In a calendar year in which the annual growth rate is both less than two ~~per cent~~ PERCENT and less than the trend growth rate, the difference between the annual growth rate and the trend growth rate when multiplied by the total general fund revenue of the fiscal year ending in the calendar year determines the amount to be transferred by the legislature from the budget stabilization fund to the state general fund at the end of the fiscal year in which the calendar year ends. The transfer calculated pursuant to this subsection shall not exceed the available balance in the fund, nor shall the legislature transfer an amount ~~which~~ THAT exceeds the amount sufficient to balance the general fund budget.

D. The legislature shall pass a bill ~~which~~ THAT contains the emergency clause if the legislature either:

1. Reduces the amount for appropriation to the budget stabilization fund under subsection B of this section.

2. Increases the amount for transfer to the state general fund under subsection C of this section.

E. The annual budget recommendations of the governor and the joint legislative budget committee shall include estimates of appropriations or transfers required under subsection B or C of this section.

F. A final determination of the amount to be appropriated to or transferred from the budget stabilization fund shall be made using personal income and price deflator estimates as reported in the second calendar quarter for the preceding calendar year. The economic estimates commission shall determine the annual growth rate, the trend growth rate and the required appropriation to or transfer from the budget stabilization fund at its first meeting following the second calendar quarter report of the United States department of commerce, but not later than June 1. The commission shall certify and report its findings to the governor, the state treasurer, the president of the senate, the speaker of the house of representatives and the joint legislative budget committee.

G. The appropriation calculated pursuant to subsection B of this section may be included in the general appropriation bill for that fiscal year. Any additional appropriation calculated pursuant to subsection F of this section shall be made by separate act.

H. At the end of a fiscal year, the budget stabilization fund balance shall not exceed 5.634 ~~per cent~~ PERCENT for fiscal year 1997-1998, 6.333 ~~per cent~~ PERCENT for fiscal year 1998-1999 and seven ~~per cent~~ PERCENT for fiscal year 1999-2000 and each subsequent fiscal year of general fund revenue for each fiscal year. Any surplus monies above the allowable percentages shall be transferred by the state treasurer to the state general fund.

I. The state treasurer may temporarily divest monies in the budget stabilization fund to avoid a negative cash balance in operating monies. The amount divested shall not exceed the amount required to meet immediate cash needs. The state treasurer may divest monies in the budget stabilization fund only when the general fund has a negative cash balance.

J. ~~In~~ FOR THE PURPOSES OF this section:

1. "Adjusted personal income" means personal income minus transfer payments, as reported by the United States department of commerce, bureau of economic analysis, or its successor agency.

2. "Annual growth rate" means the percentage change in real adjusted personal income in the calendar year ending during a fiscal year as compared to real adjusted personal income for the preceding calendar year. The annual growth rate shall be rounded to the nearest one-hundredth of one ~~per cent~~ PERCENT.

3. "GDP price deflator" means the gross domestic product price deflator reported by the United States department of commerce, bureau of economic analysis, or its successor agency.

4. "Personal income" means the total personal income of all persons in this state reported by the United States department of commerce, bureau of economic analysis, or its successor agency.

5. "Real adjusted personal income" means an amount ~~which~~ THAT is determined by dividing adjusted personal income by the GDP price deflator and multiplying the result by one hundred.

6. "Transfer payments" means that portion of personal income ~~which~~ THAT represents a government expenditure for which no service is rendered or product is delivered, as determined by the United States department of commerce, bureau of economic analysis, or its successor agency.

7. "Trend growth rate" means the average annual growth rate for the most recent seven calendar years, rounded to the nearest one-hundredth of one ~~per cent~~ PERCENT.

Sec. 2. Section 37-623.02, Arizona Revised Statutes, is amended to read:

37-623.02. Emergencies; prohibiting fireworks; liabilities and expenses; fire suppression revolving fund

A. On request of the state forester, the governor may authorize the state forester to incur liabilities for suppressing wildland fires and responding to other unplanned all-risk activities from unrestricted monies in the state general fund whether or not the legislature is in session.

B. The state forester has the authority to prohibit the use of fireworks during times of high fire potential in the unincorporated areas of the state.

C. The state forester or the state forester's designee shall review all liabilities incurred and expenditures made under this section and shall report the expenditures to the department of administration for audit according to department of administration rules. The state forester shall transmit a copy of the report to the state emergency council.

D. Liabilities incurred under this section are subject to the following limitations:

1. Wildland fire suppression or other unplanned all-risk emergency liabilities shall not exceed three million dollars of state general fund monies pursuant to subsection A of this section in a fiscal year for costs associated with suppressing wildland fires, supporting other unplanned all-risk activities such as fire, flood, earthquake, wind and hazardous material responses and preparing for periods of extreme fire danger and pre-position equipment and other fire suppression resources to provide for enhanced initial attack on wildland fires. The state forester shall not incur nonreimbursable liabilities for support of nonfire all-risk activities. The governor shall determine when periods of extreme fire danger exist and must approve any expenditure for pre-positioning activities.

2. If the funding authorization in paragraph 1 of this subsection is exhausted, or if the nonreimbursable liabilities incurred exceed the cash balance of the fire suppression revolving fund, the state forester shall not incur additional liabilities without the consent of a majority of the state emergency council as authorized by section 35-192.

E. The state forester shall process and pay claims for reimbursement for wildland fire suppression services, INCLUDING CLAIMS FOR PERSONNEL HOURS,

USED SUPPLIES AND REASONABLE AND NEGOTIATED COSTS OF DAMAGE TO EQUIPMENT THAT EXCEEDS NORMAL WEAR AND TEAR, as follows:

1. Except as provided by paragraph 2 of this subsection, within thirty days after receiving a complete and correct claim for wildland fire suppression services, the state forester shall pay the claim from available monies that have not been committed to the payment of other wildfire expenses.

2. Within thirty days after receiving a complete and correct claim for wildland fire suppression services on federal lands, the state forester shall complete the processing of the claim and forward the claim to the appropriate federal agency.

3. For any valid claim other than for federal reimbursement, if there is insufficient funding in the fire suppression revolving fund, the holder of the unpaid claim shall be issued a certificate pursuant to section 35-189.

4. FOR ANY VALID CLAIM FOR FEDERAL REIMBURSEMENT, THE STATE FORESTER SHALL CERTIFY THE CLAIM TO THE STATE TREASURER WHO SHALL PAY THE CLAIM, INCLUDING CLAIMS FOR PERSONNEL HOURS, USED SUPPLIES AND REASONABLE AND NEGOTIATED COSTS OF DAMAGE TO EQUIPMENT THAT EXCEEDS NORMAL WEAR AND TEAR, FROM MONIES APPROPRIATED FROM THE BUDGET STABILIZATION FUND PURSUANT TO SECTION 35-144, SUBSECTION A, PARAGRAPH 3. THE STATE FORESTER SHALL REIMBURSE THE STATE TREASURER WITHIN FORTY-FIVE DAYS AFTER PAYMENT OF THE CLAIM BY A FEDERAL AGENCY AND THE STATE TREASURER SHALL DEPOSIT THOSE MONIES IN THE BUDGET STABILIZATION FUND ESTABLISHED BY SECTION 35-144.

F. Monies received for suppressing wildland fires, pre-positioning equipment and firefighting resources and other unplanned all-risk activities may be used for the purposes of section 37-623 and this section.

G. The state forester shall adopt rules for administering the wildland fire suppression monies authorized under this section, subject to approval of the governor.

H. The state forester may require reimbursement from cities and other political subdivisions of this state and state and federal agencies for costs incurred in the suppression of wildland fires, pre-suppression or unplanned all-risk activities. Reimbursement shall be based on the terms and conditions in cooperative agreements, land ownership or negligence. The state forester may require reimbursement from individuals or businesses only for costs incurred in the suppression of wildland fires or unplanned all-risk activities caused by their negligence or criminal acts.

I. The fire suppression revolving fund is established consisting of civil penalties collected pursuant to section 36-1610 and monies received by the state forester for wildland fire suppression and pre-positioning equipment and resources and for payment for activities related to combating wildland fires and supporting other unplanned all-risk activities such as fire, flood, earthquake, wind and hazardous material responses. The state forester shall not incur nonreimbursable liabilities for support of nonfire

all-risk activities. The state forester shall administer the fund, and all monies received for these activities shall be deposited, pursuant to sections 35-146 and 35-147, in the fund. Monies in the fire suppression revolving fund are continuously appropriated to the state forester, except that if the unobligated balance of the fund exceeds two million dollars at the end of any calendar year, the excess shall be transferred to the state general fund. Monies in the fire suppression revolving fund are otherwise exempt from the provisions of section 35-190 relating to lapsing of appropriations.

Sec. 3. Section 48-805.02, Arizona Revised Statutes, is amended to read:

48-805.02. Fire district annual budget; levy; requirements

A. A fire district shall prepare an annual budget that contains detailed estimated expenditures for each fiscal year and that clearly shows salaries payable to employees of the district. The budget summary shall be posted in three public places and a complete copy of the budget shall be published on the district's official website for twenty days before a public hearing at a meeting called by the board 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 shall adopt a budget. A complete copy of the adopted budget shall be posted in a prominent location on the district's official website within seven business days after final adoption and shall be retained on the website for at least sixty months. For any fire district that does not maintain an official website, the fire district may comply with this subsection by posting on a website of an association of fire districts in this state.

B. Not more than ten days after the organization of a fire district and not later than August 1 of each year thereafter, the chairman of the district board shall submit to the county board of supervisors a budget estimate that contains certifications by item and that specifies the amount of money required for the maintenance and operation of the district for the ensuing year.

C. Based on the budget submitted by the district, the board of supervisors shall levy the tax as prescribed in section 48-807, subsection ~~E~~ F.

D. Every budget adopted by a fire district shall include the following:

1. A certification by the chairman and clerk of the district board as to both of the following:

(a) That the district has not incurred any debt or liability in excess of taxes levied and to be collected and the money actually available and unencumbered at that time in the district general fund, except for those liabilities as prescribed in section 48-805, subsection B, paragraph 2 and sections 48-806 and 48-807.

(b) That the district complies with subsection F of this section.

2. For each of the items listed in the budget summary approved pursuant to subsection A of this section, the district shall estimate the revenue or expense for the next two fiscal years. Estimates shall be based on the average increase or decrease of the item for the previous two fiscal years unless more certain information is available to the district. Estimates shall include any applicable levy or rate limitations.

3. If a district's total estimate of expenses exceeds its total estimate of revenues for any fiscal year, the district shall undertake a study of merger, consolidation or joint operating alternatives. The study required by this paragraph shall be presented to the fire district board in a special public meeting called for the sole purpose of evaluating the study. The study shall include an identification of districts available for merger, consolidation or joint operations, an analysis of the level of service and cost of service that may be provided to the residents of a merged, consolidated or jointly operated district as compared to the level and cost of service to the residents of the districts without any merger, consolidation or joint operations.

E. For any district that amends its budget after its initial adoption, the district board shall hold at least two hearings on the revision of the budget and the revised budget must be considered and adopted in a special meeting that is called for the adoption of the revised budget. The special meeting must be held one week after the consideration of the revision of the budget at a regularly scheduled meeting of the board of directors of the district. This subsection does not apply to a district organized pursuant to article 3 of this chapter.

F. When a fire district has adopted a budget and the board of supervisors has levied a fire district tax as provided in subsection C of this section and the district has insufficient monies in its general fund with the county treasurer to operate the district, the chairman of the fire district board of directors, 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 percent of the taxes levied by the county for the district's current fiscal year. If the treasurer cannot pay a warrant for lack of monies in the fire district general 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 general fund.

G. Any audit, report or review of a fire district made pursuant to section 48-253 shall be presented to the district board by the auditor telephonically or in another live electronic format during a public meeting of the board or, as directed by the board, in person at a public meeting of the board. The district board shall take formal action at the public meeting to review and receive the audit, report or review. The audit, report or

review shall include an attestation by the auditor of the district as to all of the following:

1. That the district has not incurred any debt or liability in excess of taxes levied and to be collected and the monies actually available and unencumbered at that time in the district general fund except for those liabilities as prescribed in section 48-805, subsection B, paragraph 2 and sections 48-806 and 48-807.

2. That the district complies with subsection F of this section.

3. Whether the audit, report or review disclosed any information contrary to the certification made as prescribed by subsection D, paragraph 1 of this section.

Sec. 4. Section 48-807, Arizona Revised Statutes, is amended to read:

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

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 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 percent 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) Through the fiscal year that ends June 30, 2012, 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) Beginning with the fiscal year that starts July 1, 2012, by the dollar amount that the fire district receives from the fire district assistance tax that exceeds four hundred thousand dollars from and after June 30 of each fiscal year, without regard to whether the district is located in more than one county.

(c) Except as provided in paragraph 2 of this subsection, 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 percent 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 percent of the property tax levy of each district

bears to the total of twenty percent 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 percent of the assessed valuation for the 1991 tax year. This paragraph does not apply to fire districts subject to paragraph 1, subdivision (a) or (b) of this subsection.

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. Beginning with the fiscal year that starts July 1, ~~2012~~ 2016, a consolidated district shall not receive more than ~~four hundred thousand dollars~~ THE MAXIMUM ALLOWABLE AMOUNT in fire district assistance tax monies AS PRESCRIBED IN SUBSECTION D OF THIS SECTION, without regard to whether the consolidated district is located in more than one county.

D. Beginning with the fiscal year that starts July 1, ~~2012~~ 2016, ~~if~~ FOR ANY two or more fire districts THAT merge OR CONSOLIDATE 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 four hundred thousand dollars~~ ON OR AFTER JULY 1, 2014, the consolidated district may continue to receive monies ~~until its receipts total four hundred thousand dollars,~~ IN AN AMOUNT NOT TO EXCEED THE SUM OF THE AVERAGE OF THE AMOUNT OF FIRE DISTRICT ASSISTANCE TAX MONIES RECEIVED BY EACH OF THE CONSOLIDATING OR MERGING DISTRICTS IN THE FIVE FISCAL YEARS IMMEDIATELY PRECEDING THE MERGER OR CONSOLIDATION as prescribed in subsection A of this section, without regard to whether the consolidated district is located in more than one county.

E. FOR A CONSOLIDATED DISTRICT THAT IS FORMED IN ANY FISCAL YEAR BEGINNING JULY 1, 2014 OR LATER AND THAT IS RECEIVING FIRE DISTRICT ASSISTANCE TAX MONIES THAT ARE REDUCED AS PRESCRIBED IN SUBSECTION A, PARAGRAPH 1, SUBDIVISION (c) OF THIS SECTION, IF THE TOTAL AMOUNT OF FIRE DISTRICT ASSISTANCE TAX MONIES THAT WOULD BE PAID TO ALL DISTRICTS IN THE COUNTY PURSUANT TO SUBSECTION A OF THIS SECTION IS LESS THAN THE AMOUNT OF MONIES THAT WOULD BE RAISED BY THE LEVY OF TEN CENTS PER ONE HUNDRED DOLLARS ASSESSED VALUATION, THE TREASURER SHALL PAY THE CONSOLIDATED DISTRICT THE AMOUNT OF FIRE DISTRICT ASSISTANCE TAX MONIES PRESCRIBED BY SUBSECTION A OF THIS SECTION THAT WOULD HAVE BEEN PAID TO THE DISTRICTS AT THE TIME THE DISTRICTS MERGED OR CONSOLIDATED.

~~E.~~ 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, or the amount of the levy in the preceding tax year multiplied by 1.08, whichever levy is less, and minus any amounts required to reduce the levy pursuant to subsection ~~H~~ I of this section, against all property situated within the district boundaries and appearing 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.

~~F.~~ G. The qualified electors of the district, voting in an election as prescribed by subsection ~~G~~ H of this section, may authorize the board to levy a tax exceeding the limits prescribed by subsection ~~E~~ F of this section under one, but not both, of the following options:

1. The electors may authorize a permanent override allowing annual levies without reference to the levy in the preceding tax year, but remaining subject to the tax rate limit of three dollars twenty-five cents per one hundred dollars of assessed valuation. An election for the purposes of this paragraph must be held at a regularly scheduled general election held on the first Tuesday following the first Monday in November as prescribed by section 16-204, subsection F.

2. If the net assessed valuation of all property in the district declines by a combined total of twenty percent or more over two consecutive valuation years, the electors voting at the next regularly scheduled general election held on the first Tuesday following the first Monday in November as prescribed by section 16-204, subsection F may authorize an override for five consecutive tax years allowing annual levies that are exempt from the tax rate limit of three dollars twenty-five cents, but subject to an annual levy limit of the amount of the levy in the preceding tax year multiplied by 1.05. After the fifth tax year, the district is again subject to the limits prescribed by subsection ~~E~~ F of this section, computed by multiplying the levy beginning in the year preceding the override by 1.08 for each year through the current tax year.

~~G.~~ H. The call for an override election held for the purposes of subsection ~~F~~ G of this section must state:

1. The purpose for requesting additional secondary property tax revenue for the district.

2. If the voters approve the levy:

(a) The maximum dollar amount of secondary property tax that may be collected in the first year compared to the existing maximum secondary property tax levy prescribed in subsection ~~E~~ F of this section.

(b) The estimated secondary property tax rate to fund the proposed levy under subdivision (a) of this paragraph in the first tax year compared to the secondary property tax rate levied in the current year.

~~H.~~ I. If the district annexes additional territory, the limit under subsection ~~E~~ F of this section shall be adjusted by applying the district's tax rate to the assessed valuation of the annexed property in the preceding tax year. If districts are merged or consolidated under this chapter, the limitation under this subsection in the first year after the districts are merged or consolidated is the total of the levies of the merged or consolidated districts in the preceding tax year multiplied by 1.08 or the amount of the levies allowed by the maximum rate prescribed by subsection ~~E~~ F of this section, whichever is less.

~~I.~~ J. The district shall maintain any property tax revenues collected in excess of the sum of the amounts of taxes collectible pursuant to section 42-17054 and the allowable levy determined under subsection ~~E~~ F of this section in a separate fund and used to reduce the property tax levy in the following tax year.

~~J.~~ K. The levy limit under this section is considered to be increased each year to the maximum limit permissible under subsection ~~E~~ F of this section regardless of whether the district actually levies taxes up to the maximum permissible amount in that year.

~~K.~~ L. The county treasurer shall keep the money received from taxes levied pursuant to subsection ~~E~~ F of this section in a separate fund known as the "fire district general fund" of the district for which collected. Any surplus remaining in the fire district general fund at the end of the fiscal year shall be credited to the fire district general fund of the district for which it was collected for the succeeding fiscal year and after subtraction of accounts payable and encumbrances, shall be used to reduce the property tax levy in the following tax year.

~~L.~~ M. A fire district may maintain separate accounts with a financial institution that is authorized to do business in this state for the purpose of operating a payroll account or for holding special revenues or ambulance revenues, or both, as necessary to fulfill the district's fiduciary responsibilities.

~~M.~~ N. A fire district, through the county treasurer, shall establish the relevant governmental funds necessary for the proper management and fiscal accountability of district monies from property taxes, grants, contributions and donations, as defined by the government accounting standards board. Unless the monies received are legally restricted by contract, agreement or law, those monies may be transferred between fund accounts according to the original or amended budget of the fire district.

~~N.~~ O. A fire district shall reconcile all balance sheet accounts for accounts for each calendar month of the fiscal year within thirty days after the end of that calendar month. The fire district board shall review the reconciled balance sheet accounts monthly, except that for a fire district that is governed by a three-member board, the board may review the reconciled balance sheet accounts every two months.

~~O.~~ P. A fire district shall produce monthly financial reports to include a register of checks, warrants and deposits, a statement of financial activities and a statement of net assets for each calendar month. A fire district shall produce a cash flow projection report for each fiscal year. The cash flow projection report shall be updated monthly with the actual revenues and expenditures from the preceding month. Each month, the fire district board shall review the financial reports, the updated cash flow projections report and all month-end fund statements and reports of the preceding month to include those reports provided by the county treasurer and each of the financial institutions in which the district maintains an account, except that for a fire district that is governed by a three-member board, the board may review the reports and statements prescribed by this subsection every two months. Any financial report or cash flow projection report that would indicate that the district is likely to violate section 48-805.02, subsection D, paragraph 1 or that would indicate an adverse impact on the ongoing operations or liquidity of the district shall be reported by the fire district board chairman in writing and delivered by certified mail to the county treasurer and the county board of supervisors within ten days after the discovery.

~~P.~~ Q. Notwithstanding section 11-605, a fire district may register warrants only if separate accounts are maintained by the county treasurer for each governmental fund of a fire district. Warrants may only be registered on the maintenance and operation account, the unrestricted capital outlay account and the special revenue account, and only if the total cash balance of all three accounts is insufficient to pay the warrants and after any revolving line of credit has been expended as prescribed in section 11-635.

~~Q.~~ R. When a fire district has adopted a budget and the board of supervisors has levied a fire district tax as provided in subsection ~~E~~ F of this section and the district has insufficient money in its general fund with the county treasurer to operate the district, 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 percent 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 general 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 general fund.

Sec. 5. County fire district budget override election; 2016 and 2017

Notwithstanding section 48-807, subsection G, Arizona Revised Statutes, as amended by this act, the electors of a fire district voting at a regularly scheduled general election held on the first Tuesday following the first

Monday in November in 2016 or 2017 as prescribed by section 16-204, subsection F, Arizona Revised Statutes, may authorize a temporary budget override for five consecutive tax years that allows annual levies that are exempt from the statutory tax rate limit of three dollars twenty-five cents but that are subject to a tax rate limit of not more than three dollars fifty cents per one hundred dollars of assessed valuation. The election shall be held as prescribed by section 48-807, Arizona Revised Statutes, as amended by this act. After the fifth tax year, the fire district is again subject to the limits prescribed by section 48-807, subsection F, Arizona Revised Statutes, computed by multiplying the levy beginning in the year preceding the override by 1.08 for each year through the current tax year.

Sec. 6. Retroactivity

A. Sections 48-805.02 and 48-807, Arizona Revised Statutes, as amended by this act, apply retroactively to from and after June 30, 2016.

B. Section 5 of this act is effective retroactively to from and after May 31, 2016.

Sec. 7. 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.

APPROVED BY THE GOVERNOR MAY 12, 2016.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 12, 2016.

Passed the House April 13, 2016,

by the following vote: 56 Ayes,

3 Nays, 1 Not Voting with Emergency

Speaker of the House

Chief Clerk of the House

Passed the Senate February 25, 2016,

by the following vote: 28 Ayes,

0 Nays, 2 Not Voting

President of the Senate

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

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

S.B. 1244

SENATE CONCURS IN HOUSE
AMENDMENTS AND FINAL PASSAGE

Passed the Senate May 4, 2016

by the following vote: 28 Ayes,

0 Nays, 2 Not Voting w/ Emergency

President of the Senate

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

4th day of May, 2016

at 4:26 o'clock P. M.

Secretary to the Governor

Approved this 12th day of

May

at 8:40 o'clock A. M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 12th day of May, 2016

S.B. 1244

at 12:18 o'clock P M.

Secretary of State