

House Engrossed

non-contiguous county island fire districts

State of Arizona  
House of Representatives  
Fifty-sixth Legislature  
Second Regular Session  
2024

**CHAPTER 71**

**HOUSE BILL 2381**

AN ACT

AMENDING SECTIONS 48-262 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 48-262, Arizona Revised Statutes, is amended to  
3 read:  
4 48-262. District boundary changes; procedures; notice;  
5 hearing; determinations; petitions  
6 A. Except as prescribed by subsection I of this section, a fire  
7 district, community park maintenance district or sanitary district shall  
8 change its boundaries by the following procedures:  
9 1. Any adult person desiring to propose any change to the  
10 boundaries of a district shall provide a legal description of the area  
11 proposed for inclusion in the district to the county assessor of the  
12 county in which the district is to be located. The county assessor shall  
13 provide to the person proposing any change to the boundaries of the  
14 district a detailed list of all taxable properties in the area proposed  
15 for inclusion in the district. The person proposing any change to the  
16 boundaries of the district shall prepare and submit a boundary change  
17 impact statement to the governing body of the district. The county  
18 assessor's parcel map and the assessed valuation of the properties as  
19 prescribed by section 42-17052 and as shown in the county assessor's  
20 records at the time the boundary change impact statement is submitted are  
21 deemed sufficient for any required maps and for determining the assessed  
22 valuations prescribed by this section. The boundary change impact  
23 statement shall contain at least the following information:  
24 (a) A legal description of the boundaries of the area to be  
25 included within the proposed change and a map and general description of  
26 the area sufficiently detailed to ~~permit~~ ALLOW a property owner to  
27 determine whether a particular property is within the proposed district.  
28 The boundaries of the proposed change shall not overlap with the  
29 boundaries of any other proposed new district of the same type or any  
30 annexation by a district of the same type for which petitions have been  
31 authorized for circulation as determined on the date that the boundary  
32 change impact statement is filed with the governing body.  
33 (b) The detailed list of taxable properties provided by the  
34 assessor pursuant to this paragraph.  
35 (c) An estimate of the assessed valuation within the boundaries of  
36 the proposed change.  
37 (d) An estimate of the change in the tax rate of the district if  
38 the proposed change is made.  
39 (e) An estimate of the change in the property tax liability, as a  
40 result of the proposed change, of a typical resident of a portion of the  
41 district, not in the area of the proposed change, before and after the  
42 proposed change and of a typical resident of the area of the proposed  
43 change.

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

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

7 2. On receipt of the boundary change impact statement, the  
8 governing body shall set a day, at least twenty but not more than thirty  
9 days after that date, for a hearing on the boundary change impact  
10 statement. The board of supervisors may at any time before making a  
11 determination pursuant to paragraph 5 of this subsection require that the  
12 impact statement be amended to include any information that the board of  
13 supervisors deems to be relevant and necessary.

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

29 4. On receipt of the boundary change impact statement, the clerk  
30 shall also mail notice, as provided in paragraph 3 of this subsection, to  
31 the chairman of the board of supervisors of the county or counties in  
32 which the proposed new property in the district is located. The chairman  
33 of the board of supervisors of the county that contains the majority of  
34 the assessed valuation of the present and proposed district property shall  
35 order a review of the proposed change and may submit written comments to  
36 the governing body of the district within ten days after receipt of the  
37 notice.

38 5. At the hearing called pursuant to paragraph 2 of this  
39 subsection, the governing body shall consider the comments of the board of  
40 supervisors, hear those who appear for and against the proposed change and  
41 determine whether the proposed change will promote the public health,  
42 comfort, convenience, necessity or welfare. If the governing body  
43 determines that the public health, comfort, convenience, necessity or  
44 welfare will be promoted, it shall approve the impact statement and  
45 authorize the circulation of petitions as provided in this subsection.

1 The order of the governing body shall be final, but if the request to  
2 circulate petitions is denied, a subsequent request for a similar change  
3 may be refiled with the governing body ~~after~~ six months ~~from~~ AFTER the  
4 date of the denial. The county board of supervisors shall authorize the  
5 circulation of petitions for only one boundary change of a district of the  
6 same type in which any property owner's land is proposed for inclusion. A  
7 new petition circulation shall not be authorized until the one-year period  
8 to submit signatures set by subsection B, paragraph 3 of this section of  
9 the original petition circulation has expired or has otherwise been  
10 extinguished.

11 ~~6. Except as provided by section 48-851,~~ The governing body shall  
12 not approve a proposed annexation if the property to be annexed is not  
13 contiguous with the district's existing boundary. For the purposes of  
14 determining whether or not the proposed addition is contiguous, the  
15 addition is deemed contiguous if land that is owned by or under the  
16 jurisdiction of the United States government, this state or any political  
17 subdivision of this state, other than an incorporated city or town,  
18 intervenes between the proposed addition and the current district  
19 boundary. THE REQUIREMENT FOR A PROPOSED ANNEXATION TO BE CONTIGUOUS WITH  
20 THE DISTRICTS' EXISTING BOUNDARY DOES NOT APPLY TO FIRE DISTRICTS FORMED  
21 PURSUANT TO SECTION 48-851.

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

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

29 9. Within fifteen days after receiving the approval of the  
30 governing body as prescribed by paragraph 5 of this subsection, the clerk  
31 of the board shall determine the minimum number of signatures and the  
32 assessed valuation required to comply with paragraph 10, subdivision (b)  
33 of this subsection. After making that determination, the number of  
34 signatures shall remain fixed and the assessed valuation of the taxable  
35 properties within the boundaries of the proposed change shall remain fixed  
36 as prescribed in this subsection for the purposes of determining  
37 compliance, notwithstanding any subsequent changes in ownership of the  
38 property within the boundaries of the proposed change.

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

42 (a) At all times, contain a map and general description of the  
43 boundaries of the area to be included within the proposed change  
44 sufficiently detailed to ~~permit~~ ALLOW a property owner to determine  
45 whether a particular property is included within the proposed change. An

1 alteration of the described area shall not be made after receiving the  
2 approval of the governing body as provided in paragraph 5 of this  
3 subsection. The items required to be contained with the petition under  
4 this subdivision shall be printed on the back of the petition form  
5 required pursuant to section 48-266 unless the size of the items precludes  
6 compliance with this requirement. An error in the legal description of  
7 the proposed change shall not invalidate the petitions if considered as a  
8 whole the information provided is sufficient to identify the property as  
9 illustrated in the map required pursuant to this subdivision.

10 (b) Be signed by owners of more than one-half of the taxable  
11 property units within the boundaries of the proposed change and be signed  
12 by persons owning collectively more than one-half of the assessed  
13 valuation of the property within the boundaries of the proposed change.  
14 The assessed valuations of the properties as prescribed by section  
15 42-17052 and as shown in the county assessor's records at the time the  
16 boundary change impact statement is submitted are deemed sufficient for  
17 determining the assessed valuations prescribed by this section. Property  
18 exempt pursuant to title 42, chapter 11, article 3 shall not be considered  
19 in determining the total assessed valuation of the proposed change nor  
20 shall owners of property not subject to taxation be eligible to sign  
21 petitions.

22 11. On receipt of the petitions, including any supplemental  
23 signatures and the report of the county assessor, the governing body shall  
24 set a day, at least ten but not more than thirty days after that date, for  
25 a hearing on the request.

26 12. Before the hearing called pursuant to paragraph 11 of this  
27 subsection, the board of supervisors shall determine the validity of the  
28 petitions presented pursuant to subsection B of this section.

29 13. At the hearing called pursuant to paragraph 11 of this  
30 subsection, the governing body, if the petitions are valid, shall order  
31 the change to the boundaries. The governing body shall enter its order  
32 setting forth its determination in the minutes of the meeting, at least  
33 ten days after the day of the hearing, and a copy of the order shall be  
34 sent to the officer in charge of elections and a copy shall be recorded in  
35 the county recorder's office. The order of the governing body shall be  
36 final, and the proposed change shall be made to the district boundaries  
37 thirty days after the governing body votes.

38 14. On filing a verified complaint with the superior court, the  
39 attorney general, the county attorney or any other interested party may  
40 question the validity of the annexation for failure to comply with this  
41 section. The complaint shall include a description of the alleged  
42 noncompliance and shall be filed within thirty days after the governing  
43 body of the district adopts a resolution that annexes the territory of the  
44 district. The burden of proof is on the plaintiff to prove the material  
45 allegations of the verified complaint. An action shall not be brought to

1 question the validity of an annexation resolution unless it is filed  
2 within the time and for the reasons prescribed in this subsection. All  
3 hearings that are held pursuant to this paragraph and all appeals of any  
4 orders shall be preferred and shall be heard and determined in preference  
5 to all other civil matters, except election actions. If more than one  
6 complaint questioning the validity of an annexation resolution is filed,  
7 all complaints shall be consolidated for the hearing.

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

10 1. Property held in multiple ownership shall be treated as if it  
11 had only one property owner, and the signature of only one of the owners  
12 of property held in multiple ownership is required on the boundary change  
13 petition. The number of persons owning property inside the boundaries of  
14 the proposed boundary change shall be determined as follows:

15 (a) In the case of property assessed by the county assessor, the  
16 number of persons owning property shall be as shown on the most recent  
17 assessment of property.

18 (b) In the case of property valued by the department of revenue,  
19 the number of persons owning property shall be as shown on the most recent  
20 valuation of property.

21 (c) If an undivided parcel of property is owned by multiple owners,  
22 those owners are deemed to be one owner for the purposes of this section.

23 (d) If a person owns multiple parcels of property, that owner is  
24 deemed to be a single owner for the purposes of this section.

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

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

29 (b) In the case of property valued by the department of revenue,  
30 the values shall be those determined by the department in the manner  
31 provided by law, for municipal assessment purposes. The county assessor  
32 and the department of revenue, respectively, shall furnish to the  
33 governing body, within twenty days after the request, a statement in  
34 writing showing the owner, the address of each owner and the appraisal or  
35 assessment value of properties contained within the area of a proposed  
36 change as described in subsection A of this section.

37 3. All petitions circulated shall be returned to the governing body  
38 of the district within one year from the date of the approval given by the  
39 governing body pursuant to subsection A, paragraph 5 of this section. Any  
40 petition returned more than one year from that date is void. If an appeal  
41 is filed pursuant to subsection A, paragraph 14 of this section, this time  
42 period for gathering signatures is tolled beginning on the date an action  
43 is filed in superior court and continuing until the expiration of the time  
44 period for any further appeal.

1 C. For the purposes of determining whether or not the proposed  
2 addition is contiguous, the addition is deemed contiguous if land that is  
3 owned by or under the jurisdiction of the United States government, this  
4 state or any political subdivision of this state, other than an  
5 incorporated city or town, intervenes between the proposed addition and  
6 the current district boundary. Property shall not be approved for  
7 annexation if the area proposed to be annexed surrounds any unincorporated  
8 territory and that unincorporated territory is not also included in the  
9 district unless that unincorporated territory is in a noncontiguous county  
10 island fire district.

11 D. If the change in the boundaries proposed pursuant to subsection  
12 A of this section would result in a withdrawal of territory from an  
13 existing district, the petitions shall be approved by the governing body  
14 only if the proposed withdrawal would not result in a noncontiguous  
15 portion of the district that is less than one square mile in size.

16 E. If the impact statement described in subsection A of this  
17 section relates to the withdrawal of property from a district, in addition  
18 to the other requirements of subsection A of this section, the governing  
19 body shall also determine:

20 1. If the district has any existing outstanding bonds or other  
21 evidences of indebtedness.

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

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

26 1. The property withdrawn from the district shall remain subject to  
27 taxes, special assessments or fees levied or collected to meet the  
28 contracts and covenants of the bonds. The board of supervisors shall  
29 provide for the levy and collection of taxes, special assessments or fees.

30 2. The governing body shall:

31 (a) Annually determine the amount of special property taxes,  
32 special assessments or fees that must be levied and collected from  
33 property withdrawn from the district and the mechanism by which that  
34 amount is to be collected.

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

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

40 G. If the statement described in subsection A, paragraph 1 of this  
41 section requests the annexation of property located within an incorporated  
42 city or town, in addition to the other requirements of subsection A of  
43 this section, the governing body shall approve the district boundary  
44 change impact statement and authorize the circulation of petitions only if  
45 the governing body of the city or town has by ordinance or resolution

1 endorsed the annexation and the annexation is authorized pursuant to this  
2 title.

3 H. Except as provided in subsection D of this section and section  
4 48-2002, a change in the boundaries of a district pursuant to this section  
5 shall not result in a district that contains area that is not contiguous.

6 I. Notwithstanding subsection A of this section, any property  
7 owner, including a county, this state or the United States government,  
8 whose land is within a county that contains a sanitary district or fire  
9 district and whose land is contiguous to the boundaries of the sanitary  
10 district or fire district may request in writing that the governing body  
11 of the district amend the district boundaries to include that property  
12 owner's land. If the property is located in an incorporated city or town,  
13 in addition to the other requirements prescribed in this subsection, the  
14 governing body of the fire district or sanitary district may approve the  
15 boundary change only if the governing body of the affected city or town by  
16 ordinance or resolution has approved the inclusion of the property in the  
17 district. If the governing body determines that the inclusion of that  
18 property will benefit the district and the property owner, the boundary  
19 change may be made by order of the governing body and is final on the  
20 recording of the governing body's order that includes a legal description  
21 of the property that is added to the district. A petition and impact  
22 statement are not required for an amendment to a sanitary district's or  
23 fire district's boundaries made pursuant to this subsection.

24 J. Until August 1, 2014, in a county with a population greater than  
25 two million persons, notwithstanding subsection I of this section, any  
26 property owner, including the United States, this state or a county, whose  
27 land is within two thousand six hundred forty feet of an adjacent sanitary  
28 district or fire district, not contiguous to the boundaries of the  
29 sanitary district or fire district and within an unincorporated area or  
30 county island may request in writing that the governing body of the  
31 district amend the district boundaries to include that property owner's  
32 land.

33 K. A fire district shall not annex or otherwise add territory that  
34 is already included in another existing fire district, unless deannexed  
35 pursuant to subsections D, E and F of this section.

36 L. A fire district, community park maintenance district or sanitary  
37 district may appropriate and spend monies as necessary or reasonably  
38 required to assist one or more individuals or entities to change the  
39 district's boundaries pursuant to this section.

40 M. Notwithstanding subsection A of this section, if an incorporated  
41 city or town has previously adopted a resolution designating a fire  
42 district as the fire service agency for the city or town, the  
43 jurisdictional boundaries of the fire district without further notice or  
44 election shall be changed to include any property annexed into the city or  
45 town. If the annexation occurs pursuant to a joint petition for



1 annexation, any joint petition for annexation shall clearly indicate in  
2 its title and in the notice required in the petition that the property to  
3 be annexed will be subject to the jurisdiction of both the city or town  
4 and the fire district. A joint petition for annexation shall comply with  
5 both section 9-471 and this section. Any fire district boundary change  
6 that occurs through city or town annexation pursuant to this subsection is  
7 effective on the effective date of the annexation by the incorporated city  
8 or town. If an incorporated city or town that has designated a fire  
9 district as the fire service agency for that city or town annexes property  
10 that is already part of another fire district, the annexed property shall  
11 remain part of the fire district in which it was located before the city  
12 or town's annexation.

13 N. Notwithstanding subsection I of this section, from August 2,  
14 2012 until July 1, 2015, in counties with a population of more than two  
15 million five hundred thousand persons, any property owner, including the  
16 United States, this state or a county, whose land is within two thousand  
17 six hundred forty feet of an adjacent sanitary district or fire district  
18 and is not contiguous to the boundaries of the sanitary district or fire  
19 district may request in writing that the governing body of the district  
20 amend the district boundaries to include that property owner's land. If  
21 the property is located in an incorporated city or town, in addition to  
22 the other requirements prescribed in this subsection, the governing body  
23 of the sanitary district or fire district may approve the boundary change  
24 only if the governing body of the affected city or town, by ordinance or  
25 resolution, has approved the inclusion of the property in the district.  
26 If the governing body determines that the inclusion of that property will  
27 benefit the district and the property owner, the boundary change may be  
28 made by order of the governing body and is final on the recording of the  
29 governing body's order that includes a general description of the  
30 property, including the assessor's parcel number, that is added to the  
31 district. A petition and impact statement are not required for an  
32 amendment to a sanitary district's or fire district's boundaries made  
33 pursuant to this subsection.

34 O. For the purposes of this section, assessed valuation does not  
35 include property exempt pursuant to title 42, chapter 11, article 3.

36 Sec. 2. Section 48-853, Arizona Revised Statutes, is amended to  
37 read:

38 48-853. District board; powers and duties; intergovernmental  
39 agreements; contract; administration; definition

40 A. A fire district formed pursuant to this article, through its  
41 board shall:

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

44 2. Prepare an annual budget that contains detailed estimated  
45 expenditures for each fiscal year and that clearly shows expenses of the

1 district. The budget shall be posted in three public places and published  
2 in a newspaper of general circulation in the district at least twenty days  
3 before a public hearing at a meeting called by the board to adopt the  
4 budget. The budget shall be posted in a prominent location on the  
5 official website not later than seven business days after the estimates of  
6 revenues and expenses are tentatively adopted. A complete copy of the  
7 approved estimates of revenues and expenses shall be posted in a prominent  
8 location on the official website not later than seven business days after  
9 final adoption. Copies of the budget shall also be available to members  
10 of the public on written request to the district. Following the public  
11 hearing, the district board shall adopt a budget. Both the tentatively  
12 adopted estimates of revenues and expenses and the budget finally adopted  
13 under this section shall be retained and accessible in a prominent  
14 location on the official website for at least sixty months.

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

17 4. Maintain and store all permanent public records according to  
18 standards for the storage of permanent public records established by the  
19 director of the Arizona state library, archives and public records.

20 5. Appoint the fire chief of the fire service provider selected  
21 pursuant to paragraph 9 of this subsection, either public or private, as  
22 the fire chief for the district.

23 6. Adopt the state fire code. The fire district's authority to  
24 conduct inspections shall apply only to commercial and industrial  
25 properties and shall not apply to residential properties.

26 7. Keep three copies of the applicable fire code, amendments and  
27 revisions on file for public inspection.

28 8. Notify the county board of supervisors of the cost of providing  
29 fire protection service and emergency medical service for each household  
30 or other structure in the district if the district provides service  
31 pursuant to paragraph 9, subdivision (a) or (b) of this subsection.

32 9. Act within sixty days after the formation of the district to do  
33 any of the following:

34 (a) Enter into an intergovernmental agreement with a municipal  
35 provider for fire protection services for the district. A municipal  
36 provider seeking to enter into an agreement with the district shall make a  
37 formal expression of intent to enter into an agreement with the district  
38 within twenty-one days after district formation.

39 (b) Issue a request for proposals for nonmunicipal private  
40 providers of fire protection services for the district. Notwithstanding  
41 any other law, municipal annexation shall not be undertaken during the  
42 term of any contract entered into between the district and a private fire  
43 service provider, except that in the one hundred eighty day-period before  
44 the end of the contract, the municipality shall notify the residents of  
45 the opportunity to annex into the municipality. A resident shall notify

1 the district and the municipality within ninety days before the end of the  
2 contract that the resident is annexing into the municipality and shall  
3 complete the annexation within ten days after the completion of the  
4 contract. If no district residents notify the municipality that the  
5 resident is annexing, the district may renew the contract automatically.  
6 If a resident proposes to annex into the municipality, the district shall  
7 issue a request for proposals again as prescribed in this subdivision.

8 (c) Before applying this subdivision, request an independent review  
9 by the county attorney of the negotiations, if any, that were conducted as  
10 prescribed in subdivision (a) of this paragraph and the request for  
11 proposals and resulting bids. After the independent review, the county  
12 attorney shall certify whether the negotiations and proposals were based  
13 on commercially reasonable assumptions. If the county attorney certifies  
14 that any one or more of the provisions are not commercially reasonable,  
15 the district and the other party to the negotiations have ten days to cure  
16 and continue negotiations before resubmitting information on the  
17 negotiations and proposals to the county attorney for certification.  
18 Notwithstanding any other law, the county attorney shall have access to  
19 sealed bids for purposes of this subdivision. The county attorney shall  
20 review and issue a certification pursuant to this subdivision within  
21 thirty days after the information and documents regarding negotiations and  
22 proposals are submitted to the county attorney. If a fire district does  
23 not enter into an intergovernmental agreement pursuant to subdivision (a)  
24 of this paragraph or enter into a contract pursuant to subdivision (b) of  
25 this paragraph, the surrounding municipality shall provide fire protection  
26 and emergency medical services except for services regulated pursuant to  
27 title 36, chapter 21.1 in the district immediately on request by the  
28 district, following final certification by the county attorney. The  
29 municipality shall be compensated by the district as follows:

30 (i) A three-person board shall set the secondary property tax rate  
31 for the district. The district shall appoint one person to the board, the  
32 surrounding municipality shall appoint one person to the board, and the  
33 two appointees shall agree on a third person for the board. If the two  
34 appointees cannot agree on a third appointee within five days after the  
35 two persons are appointed, the county board of supervisors shall appoint  
36 the third person to the board.

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

39 (iii) The district shall levy the tax at the rate as determined by  
40 the three-person board and the tax shall be collected as other property  
41 taxes are collected. On receipt of monies from the property tax levied,  
42 the district shall reimburse the county for the costs associated with the  
43 formation of the district, including administrative expenses.

44 10. Require that any intergovernmental agreement or contract  
45 between the district and a provider of fire protection services include:

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

2 (b) A provision setting forth the cost of service and performance  
3 criteria.

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

7 11. If necessary, issue a request for proposals for providers of  
8 emergency medical services and enter into an intergovernmental agreement  
9 or contract with a provider of emergency medical services except for those  
10 services regulated by title 36, chapter 21.1.

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

16 13. Defend, indemnify and hold harmless a municipal provider or any  
17 other provider of fire protection from and against any claims or expenses  
18 to which it may be subjected by reason of injury or death of any person or  
19 loss or damage to any property directly attributable to the provision of  
20 the services unless the services were provided in a grossly negligent  
21 manner. The fire district shall secure insurance sufficient to cover  
22 liability exposure.

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

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

28 2. Retain a certified public accountant to perform an annual audit  
29 of district books.

30 3. Retain private legal counsel.

31 4. Sue and be sued.

32 5. Accept gifts, contributions, bequests and grants and comply with  
33 any requirements of such gifts, contributions, bequests and grants not  
34 inconsistent with this article.

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

38 7. Expand its boundaries pursuant to the requirements of section  
39 48-262 to include unincorporated parcels within a city's or a town's  
40 municipal planning area **IF THE PARCEL IS CONTIGUOUS WITH THE CITY'S OR**  
41 **TOWN'S BOUNDARIES OR CONTIGUOUS WITH THE EXISTING DISTRICT FORMED PURSUANT**  
42 **TO THIS ARTICLE AND** with the permission of the city or town.

43 C. The county attorney may advise and represent the district when  
44 in the county attorney's judgment such advice and representation are  
45 appropriate and not in conflict with the county attorney's duties under

1 section 11-532. If the county attorney is unable to advise and represent  
2 the district due to a conflict of interest, the district may retain  
3 private legal counsel or may request the attorney general to represent it,  
4 or both.

5 D. The chairperson and clerk of the district board or their  
6 respective designees, as applicable, shall draw warrants, substitute  
7 checks or electronic funds transfers on the county treasurer for money  
8 required to operate the district in accordance with the budget and, as so  
9 drawn, the warrants, substitute checks or electronic funds transfers shall  
10 be sufficient to authorize the county treasurer to pay from the fire  
11 district fund.

12 E. The district shall not incur any debt or liability in excess of  
13 taxes levied and to be collected and the monies actually available and  
14 unencumbered at the time in the fund, except as provided in section  
15 48-807.

16 F. If a district formed under section 48-851 agrees to provide fire  
17 and emergency medical services in a county island where a private provider  
18 of fire or emergency services has facilities and provides fire service, or  
19 where the private provider is the closest responding fire service  
20 provider, the district and the private provider shall enter into an  
21 agreement covering the roles and relationships regarding mutual aid or  
22 backup and any services for which the district wishes to contract. The  
23 agreement shall include an allocation of the district's property tax  
24 revenues to the municipal contractor or the private provider, or both,  
25 based on the proportionate share of the fire services each contractor will  
26 provide to the district. The agreement shall be executed before the  
27 district begins providing service in the county island. If an agreement  
28 is not reached within ninety days after the district requests the private  
29 provider to establish a plan, either party may request that the matter be  
30 arbitrated pursuant to title 12, chapter 21.

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

35 H. For the purposes of this article, "fire service" and "fire  
36 protection" include fire prevention, emergency medical services and  
37 inspection of commercial or industrial property.

APPROVED BY THE GOVERNOR APRIL 2, 2024.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 2, 2024.