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ASPECTS OF SPECIAL DISTRICT GOVERNMENT
IN ARIZONA

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ASPECTS OF SPECIAL DISTRICT GOVERNMENT IN ARIZONA

An Informal Assessment of Implementation of Recent
Selected Special District Legislation with Recommendations
and Drafts of Proposed Legislation

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INTRODUCTION

Preparation of this report was undertaken on behalf of work of the 1987 Joint Legislative Committee on County Issues. The extensive use of special purpose district government in Arizona and its formation and other organizational relationships with county government make special districts a natural focal point for Committee endeavor.

Within this context, Committee interest in special district government activity is especially appropriate in light of recent legislative enactment of a series of special district oriented measures and the value of assessing effectiveness of those measures at this time. One of these measures dealt with special district financial and related organizational reporting requirements; another with special district formation and annexation practices; another with county assistance tax for fire districts; and another with special district reimbursement for county services.¹ These four legislative initiatives, along with others,² largely stemmed from work of the earlier established Joint Legislative Committee on Special Districts.³

Although frequently suggested, no formal mechanism for monitoring impact of special district legislative measures is in place. However, the two authors of this report were intimately involved in work of the Joint Special District Committee and from their respective continuing employment posts have followed implementation activity of the recent legislative special district package just as a matter of that professional interest. Hence this report is dubbed "informal." It is not based on any formal survey of special district activity. Rather, it simply reports the observations of how two interested and to some extent informed observers see implementation of that legislation to be as of now with recommendations for future legislative consideration.

The report is divided into two sections. The first focuses on financial and related

reporting of special district government as a means of better understanding and fuller accountability of special district activity. Here, results of the first legislatively required reporting year (1986-87) are briefly examined and draft legislation suggested to remedy observed defects.

The second section deals with a variety of other special district concerns including further refinement of the impact statement in special district formation and annexation practices, reimbursement for county services to special districts, the fire district assistance tax, and a statutory definition of just what a special district is as opposed to other types of local government entities. For quick reference to the gist of these issues, each is presented in summary outline form accompanied by proposed draft legislation in Appendix F in behalf of further resolution of the issue(s) involved.

By most any measure, this report should be viewed as a "technical" report not intended nor suited for widespread distribution. It is simply a checklist of selected special district issues with proposed solutions offered for speculation of County Issues Committee members and others already familiar with the subject of special district government in Arizona.⁴

Funding for this study was underwritten by the University of Arizona through the Office of Community and Public Service, Bruce A. Wright, Director. Report views and findings are not necessarily those of either the University or the Office of Community and Public Service. They are the authors' own and for them they accept customary responsibility.

SPECIAL DISTRICT REPORTING REQUIREMENTS

Statutory special district reporting requirements are of two sorts. One requires an annual report from the board of supervisors of each county to the State Treasurer by October 1, listing new special district creations under Title 48 for the prior year (see Appendix B, Part 1). Another stipulates that all of the following special districts are required to file an annual financial statement and other information with the clerk of the board of supervisors in the county in which they are located and with the State Treasurer (see Appendix B, Part 2).

<u>District</u>	<u>Title 48 Chapter No.</u>
Antinoxious Weed Districts	2
Pest Control Districts	3
Fire Districts	5
T.V. Districts	7
Community Park Districts	8
Recreation Center Districts	9
Special Road Districts	10
Power Districts	11
Electrical Districts	12
Hospital Districts	13
Sanitary Districts	14
Pest Abatement Districts	15
Health Service Districts	16
Drainage and Flood Protection Districts	18
Irrigation and Water Conservation Districts	19
Irrigation Water Delivery Districts	20
County Flood Control Districts	21
County Free Library Districts	23

Preparation for Securing Special District Reports. Submission date for reports from counties and their special districts is no later than 150 days after close of the district fiscal year (June 30). For the first year of implementation of this reporting requirement, this meant submission by November 28, 1987. Report forms with instructions were

prepared by the Auditor General in accord with statutory provisions. Forms were mailed to the counties in August 1986 asking that the counties provide the forms to special districts in the county for completion (see Appendix C). On October 28, 1986 a reminder memo clarifying some instructional items of the earlier prepared reporting form was sent to the counties by the Auditor General (see Appendix D). And on November 2, 1987 the Deputy State Treasurer sent a further reminder notice to each clerk of the boards of supervisors (see Appendix E).

Number of Special District Reporting Forms Submitted. An examination of reports received by the State Treasurer was conducted for those received prior to July 1, 1988, which began the new 150 day reporting period for FY 1987-88. The Treasurer's staff has established a filing system for all reports received and has developed and committed to computer disc two master indexes, one alphabetically by county and a second alphabetically by special district name. The filing system and indexes do much to facilitate review of reports. As of this review date a total of 173 special district reports had been received distributed as follows:

- 119 fire district reports
- 20 irrigation district reports
- 11 sanitary district reports
- 5 county flood district reports
- 5 county library district reports
- 4 electrical district reports
- 3 special road district reports
- 3 hospital district reports
- 2 irrigation water delivery district reports
- 1 drainage and flood protection district report

Other Observations. These 173 reports represent only about one-half of the special districts in the state.⁵ Quality of reports received was generally satisfactory -- readily readable and complete with the exception of approximately a half dozen that were incomplete to the point of negligible utility for any sort of analysis.⁶ As provided by law,

an independent audit by a CPA may be substituted for financial information requested by the Auditor General and 26 did so, seven districts submitting both. Bulk of the reports, 111, were submitted by the November 28, 1987 reporting date. The rest were late, some by several months.⁷

Recommendation. Legislation is recommended to address certain problems as follows:

Annual County Report:

- a. Should exclude reporting of municipal and county improvement districts, except for domestic water improvement districts which by statute are designated as improvement districts, but which in point of fact are endowed with additional characteristics that give them de facto special district status. Such improvement districts are merely taxing authorities of cities, towns, and counties.
- b. Should include a copy of the district impact statement required by certain special districts pursuant to Section 48-261.
- c. Should be expanded to include special districts whose boundaries have changed plus a copy of any boundary change impact statement required by Section 48-262.

Annual Special District Report:

- a. When the financial statement requirement is being satisfied by the independent audit of a CPA, the audited financial statement should include not less than the information requested on the Auditor General forms.
- b. Exempted from the regular report deadline should be the television district, county free library district, and county flood control district and instead included with the annual county audit to be submitted at the time

of audit completion by the Auditor General.

- c. The special district official submitting the report and completing the financial statement should be identified.
- d. The State Treasurer should make an annual report to the legislature and governor on compliance with respect to the annual county and special district reporting requirements.
- e. The county treasurer should not distribute special district revenues collected by the county to a district without certification of the State Treasurer that the annual special district report has been received. An exception would be allowed by district appeal to the board of supervisors.

Draft of Proposed Legislation. See Appendix F, Exhibit I.

OTHER SPECIAL DISTRICT ISSUES AND RECOMMENDATIONS

In addition to requirements for special district reporting, the introductory section of this report identified four other areas of report coverage. These four deal with (a) role of the impact statement in formation and annexation practices, (b) special district reimbursement for county services, (c) county assistance tax for fire districts, and (d) special district definition and board of supervisors formation authority.

SPECIAL DISTRICT IMPACT STATEMENT IN FORMATION AND ANNEXATION ACTIVITY

Summary. The purpose of this recommendation is to clarify and enhance the current

special district impact statement required of certain special districts with respect to proposed district creations and boundary changes. The specific provisions are:

1. District creations (A.R.S. Section 48-261):
 - a. Provides that the board of supervisors may assist in completion of the impact statement when those proposing formation are unable to do so.
 - b. Adds the requirement of explaining the benefits and injuries listed in the impact statement for the proposed district.
 - c. Requires "taxable" property owners to be noticed on proposed formation instead of only "real" property owners.
 - d. Clarifies how to count petition signatures of property owners of property held in joint tenancy by allowing one signature to suffice to include the property in the petition.
 - e. Permits the board of supervisors to require formation petitioners to file a bond with the board to cover county costs if the district is ultimately not formed.
2. District boundary changes (A.R.S. Section 48-262):
 - a. Adds the requirement of explaining the benefits and injuries listed in the impact statement for the proposed district.
 - b. Clarifies how to count petition signatures of property owners of property held in joint tenancy by allowing one signature to suffice to include the property in the petition.
3. The special district impact statement for district creations and boundary changes is extended to most other special districts by a new A.R.S. Section 48-263.

Justification. The reasons for the changes proposed in the above summary are noted below:

1. District creations (A.R.S. Section 48-261):
 - a. Experience of counties with impact statements indicates that those proposing formation are generally neither capable of producing nor in possession of the data required by the impact statement. The need for a special district is not related to the ability of those proposing formation to justify formation, nor should formation be predicated on such capability.
 - b. A simple list of the benefits and injuries resulting from formation is insufficient. An explanation of them is necessary.
 - c. Notice of a proposed district's formation hearings should not be limited to real property owners. In the fire and hospital districts, all taxable property is taxed. In the sanitary district, real property and mobile homes are taxed. Thus, all owners of property to be taxed in the district should be noticed on the hearings so that equal opportunity is given to all who would be affected by the district.
 - d. Present law does not specify how property held in joint tenancy should be counted toward petition requirements. This area of confusion needs to be clarified.
 - e. Some special district formation proposals are without solid support. To ensure the good faith of the petitioners, a bond should be required to cover county costs for a proposed district which fails to form.
2. District boundary changes (A.R.S. Section 48-262):
 - a. A simple list of the benefits and injuries resulting from the boundary change is insufficient. An explanation of them is necessary.

- b. Present law does not specify how property held in joint tenancy should be counted toward petition requirements. This area of confusion needs to be clarified.
3. It is a reasonable extension of special district reform to subject all types of special districts to the impact statement requirements for formations and boundary changes contained in A.R.S. Sections 48-261 and 48-262. This new requirement is in keeping with the reform objectives of consistency, governmental control, and public accountability.

Draft of Proposed Legislation. See Appendix F, Exhibit II.

SPECIAL DISTRICT REIMBURSEMENT FOR COUNTY SERVICES

Summary. This proposed legislation adds the county free library district to the list of special districts which may be charged for county services. In addition, a provision is made for the board of supervisors to require reimbursement from newly formed special districts for county services rendered prior to and during organization.

Justification. The county free library district was unintentionally omitted from the reimbursement list when the authorizing legislation was enacted in 1986. It should be added to the reimbursement list. Also, presently, the board of supervisors cannot seek reimbursement from a district for services rendered prior to and during its organization. This is often the most intense period of county service delivery which the district may experience. It was never viewed nor touted as an objective of the reimbursement statute to exclude the formation time period. Rather, it was assumed all county services were included as reimbursable.

Draft of Proposed Legislation. See Appendix F, Exhibit III.

COUNTY FIRE DISTRICT ASSISTANCE TAX

Summary. Certain revenues are excluded from the total of revenues on which the 20% county contribution is computed:

1. State and federal subventions and grants.
2. Contracted reimbursements and payments from cities, towns and other fire districts.
3. Fire district bond sale receipts.
4. Property tax collections applied to bond repayment.

Justification. The revenues to be excluded from the 20% county contribution do not represent fire district "local effort" for district maintenance and operation. As such, they should not be included in the 20% contribution. The intent of the original enactment was to provide a 20% match from a countywide levy for fire district maintenance and operation revenues raised locally.

Draft of Proposed Legislation. See Appendix F, Exhibit IV.

SPECIAL DISTRICT DEFINITION

Summary. This proposal creates a special district definition (New A.R.S. Section 48-271). The following are characteristics of the special district prototype envisioned by this definition. They are currently substantially present in most existing special districts including antioxious weed, pest control, fire, domestic water, television, community park, recreation center, special road, power, electrical, hospital, sanitary, pest abatement, health services, agricultural improvement, drainage and flood protection, irrigation and water conservation, irrigation water delivery, county flood control districts, multi-county water conservation, and county free library, and must be substantially

present in any new special district authorizations by the legislature. Only the municipal improvement and typical county improvement districts are excluded from the definition.

The required characteristics for new statutory special district creations are:

1. Political subdivision of the state with municipal status which may include characteristics such as the power to prepare and execute budget, to enter into contracts with individuals and other organized entities, sue and be sued, acquire and dispose of property, incur and retire debt, and maintain organizational records available for public inspection.
2. Single or limited governmental function.
3. Independently elected governing board or board of supervisors designated as governing board by district authorizing statute.
4. Ultimate authorization of formation process requires approval of the board of supervisors.
5. Territorial jurisdiction (geographical boundaries) within county or coterminous with county boundaries.
6. Taxing authority to include ad valorem property taxes, special assessments, service fees, or other revenue raising powers as prescribed by statute.
7. Corporate existence separate and apart from any other government or political unit of government.
8. Perpetual existence subject to dissolution in accord with statutory provisions.

Justification. The special district definition is necessary to:

1. Provide a benchmark by which to identify what Arizona law intends a special district to be and to facilitate public understanding and legislative, executive, and judicial special district oriented acts.
2. Conform to Arizona court rulings, viz:

- a. Mountain States Legal Foundation et al v. Apache County et al which set forth specific criteria for a special district (Appeals Court ruling, 1985).
 - b. George R. Renner et al v. Hon. Jeffrey S. Cates et al (1987) which upheld the Superior Court ruling that the county free library district is a constitutional special district (Superior Court ruling 1986).
3. Enhance user utility and understanding of Title 48.
 4. Aid in identification of special district governments by federal agencies such as the U. S. Bureau of the Census and the U. S. Advisory Commission on Intergovernmental Relations and other national and regional bodies concerned with information, bonding, and related special district activity.

Draft of Proposed Legislation. See Appendix F, Exhibit V.

BOARD OF SUPERVISORS
SPECIAL DISTRICT FORMATION AUTHORITY

Summary. This new provision will place ultimate authority over special district formations in the board of supervisors. Thus, during any point in the formation process the board may call a halt to establishment.

Justification. The dual purposes of good government and protecting citizens from unnecessary, frivolous, or unduly cumbersome new government are served by placing more authority in the board of supervisors. The board is the most appropriate level of review of district formations and may serve this important protector role where no other general purpose government could.

Draft of Proposed Legislation. See Appendix F, Exhibit V.

NOTES

- 1 The first three of these measures were enacted in 1986. The fourth was adopted in 1984. See Appendix A for a brief chronology of these and other special district oriented measures 1983-1987.
- 2 One of the most important of these enactments dealt with voter registration and related special district election procedures -- Laws 1986, Chapter 320 (H.B. 2362). Regrettably, time and space limitations do not permit treatment of this important aspect of Committee interest in this report.
- 3 Laws 1984, Chapter 338 (S.B. 1124).
- 4 One background source for considering special district issues dealt with in this report is Don L. Bowen, SPECIAL DISTRICT GOVERNMENT IN ARIZONA: A REPORT WITH RECOMMENDATIONS (University of Arizona, Tucson, 1982), 253 pages.
- 5 A recent estimate indicates there are approximately 320 special districts in Arizona. And here it is well to emphasize that because of the way in which it was constructed, the 320 figure is subject to error. The process by which it was deduced began with a count of 280 special districts as of June 30, 1981 (Bowen, op cit, page 5). Since this last comprehensive count of special districts, some reductions and increases in the count have occurred. A county-by-county survey conducted for this report in May, 1988 yielded numerous new special district creations for the period July 1, 1981 through June 30, 1987. Because the recent survey count made no attempt to duplicate the thoroughness or comprehensiveness of the original count, neither districts becoming inactive or those being reactivated are included. Likewise, the tight controls of the original survey were not replicated. Both these factors contribute to a perhaps minor, but nonetheless admittable, margin of error in the 1987 total count. The primary purpose of the recent survey count serves to illustrate both the attrition effect due to legislative changes and the growth attributable to new formations. The approximation of the special district count follows.

	<u>Total</u>
<u>June 30, 1981</u> (Survey conducted 1982)	280
<u>Reductions</u>	
Laws 1984, Chapter 259 (H.B. 2534) Repeal of special flood control district statutes.	- 4
Laws 1986, Chapter 366 (H.B. 2372) Sec. 11 of this act effectively repealed the existing five county free library "systems" by mandating their conversion to the new county library "districts." This actually resulted in a net increase of four, from five to nine, included in the May 1988 count.	- 5
<u>June 30, 1987</u> (Survey conducted May, 1988)	+ 49
Current Estimated Total	<u>320</u>

- 6 Some other minor glitches: Mountaineer Fire District in Coconino County reported the average aggregate tax rate of the county instead of the district rate; the Why Fire District in Pima County listed zero as its 1986-87 tax rate, although it actually levied 28.18¢; Wickenburg Fire District in Maricopa County didn't know its tax rate and so indicated; Yarnell Fire District in Yavapai County failed to list its tax rate; Gila and Cochise reported several county improvement districts not required to be reported, and which are not special districts in accordance with the focus of this report.
- 7 The formal report submission requests by the Auditor General and Deputy State Treasurer were supplemented on occasion by informal submission requests, most notably the Arizona Fire District Association. AFDA has a large and generally cohesive membership base and its officers have taken substantial interest in supporting special district reporting requirements.

Appendix A

CHRONOLOGY OF SPECIAL DISTRICT LEGISLATION 1983 - 87

The following brief summaries are of special district legislative enactments from 1983 through 1987. Additionally, brief summaries are included for 1988 proposed legislation, some of which became law as indicated.

1983

Chapter 51 (HB 2218) Fire Protection Services; Cost; Reimbursement

Prescribes conditions when the owner of property outside of a fire district must reimburse the fire district for fire protection services.

Chapter 74 (SB 1308) Agricultural Improvement Districts; Revenue Bonds

New notice, forms, interest and payment requirements for district revenue bonds prescribed.

Chapter 243 (SB 1026) Recreation Center District; Establishment

Provides for establishment of a recreation center district for the school district at Grand Canyon Village to support school recreation and library services, previously funded by the National Park Service, by the imposition of a 1¢ sales tax.

Chapter 261 (HB 2216) County Television Improvement District; Formation

Provides for establishment of a TV district in Mohave County, supported by a countywide property tax, to acquire, operate and maintain television translator facilities in the county.

Chapter 270 (HB 2090) Fire District Operations

Several conforming and other provisions relating to use and investment of funds, fire district premium tax monies, district elections, district warrants, fire district association dues and the annual budget estimates.

Chapter 276 (HB 2258) Pest Abatement District

Provides for establishment of a pest abatement district, supported by district property tax collections, to permit localized control of certain public nuisances, viz. rats, mice and non-agricultural arthropods.

1984

Chapter 106 (HB 2162) Hospital District Authority

Allows hospital districts to operate ambulance services.

Chapter 100 (HB 2395) Irrigation District Authority

Permits certain irrigation districts to provide water for municipal and industrial purposes.

Chapter 157 (SB 1133) Special District County Cost

Creates authority for counties to establish a schedule for reimbursement of county services rendered to 26 enumerated entities, including most special districts, certain county tax assessment districts and other non-taxing entities.

Chapter 161 (SB 1197) Hospital District Elections

Major provisions rewritten relating to district board member vacancies and annual and alternate organization elections.

Chapter 207 (SB 1405) Pinal and Cobre Sanitary Districts

By legislative dictate the boundaries of Pinal and Cobre sanitary districts are altered. A special election called in both districts to certify the changes.

Chapter 259 (HB 2534) County Flood Control District

Major provisions of county flood district statutes and floodplain regulations rewritten dealing with repeal of special flood district statutes, municipal flood regulation options, state assistance in delineating floodplains, repealing flood advisory boards and making numerous conforming changes.

Chapter 338 (SB 1124) Special District Moratorium

Institutes a moratorium on special district creations and establishes special district report requirements by counties for 1984 and 1986. Names a joint legislative committee on special districts to report 12/31/85.

1985

Chapter 10 (SB 1184) City Annexation & Fire District Moratorium

City and town annexation powers suspended/restricted. Fire district creation and annexation moratorium imposed until 08/31/86.

Chapter 18 (HB 2308) Flood Control Boards

All counties permitted to appoint county flood control district advisory boards. Formerly limited to Maricopa County.

Chapter 42 (SB 1143) Gila Fire District Assessment

DOR deadline for submitting tax data extended for Tonto Village Fire District to allow for a FY 85-86 property tax levy.

Chapter 165 (SB 1074) Domestic Water District Tax

Establishes a petition process to allow assessment on the basis of proportional square footage or metered water usage.

Chapter 187 (HB 2350) SRP In-Lieu Tax Contributions

Voluntary SRP contributions may be made to special districts as well as to other political subdivisions. A 3-year phase-in beginning with FY 86-87.

Chapter 190 (SB 1139) Special District Statutes Recodification

Creates a new A.R.S. Title 48 for inclusion of all special district statutes. All current special district authorities transferred.

Chapter 278 (HB 2355) Fire District Withdrawal Petitions

Prescribes petition process for withdrawal from certain fire districts in Pima County.

Chapter 303 (SB 1261) County Flood Control District Zones

Puts back into law taxation power for flood control zones inadvertently stricken by Laws 1984, Chapter 259. Also assures orderly transfer of repealed special flood district authority to flood zones.

Chapter 361 (SB 1186) Sanitary District Sewers

Allows for collector sewer construction by the district and for private financing and operation of systems. Formerly both sanitary and county improvement district powers were needed in tandem to accomplish total sewer construction project needs. Noncontiguous land annexations also permitted.

1986

Chapter 87 (SB 1122) Health Service District; Tax Rate

Increases M & O levy limit rate from 30¢ to 45¢ per \$100 assessed value.

Chapter 141 (HB 2206) County Flood Control Districts; Property Acquisition

Specifies methods for acquisition and disposal of land. Also allows for groundwater recharge.

Chapter 229 (HB 2025) Sanitary District IGAs

Provides for IGAs between sanitary districts and DHS for assistance to district in regulating waste water treatment and sewage disposal. Authority given to boards of supervisors to enforce sanitary district statutes. Other changes.

Chapter 290 (HB 2312) Special District Annual Reports

Prescribes annual financial report of most special districts to be submitted to board of supervisors and state treasurer. Repeals special district formation moratorium imposed by Laws 1984, Chapter 338, effective 05/05/86.

Chapter 291 (HB 2354) County Assistance Tax for Fire Districts

Establishes a new contribution to fire districts from a countywide property tax levy and repeals the contribution from the county general fund.

Chapter 320 (HB 2362) Elections; Nonpartisan; Other Revisions

Notwithstanding existing Title 48 provisions, Title 16 election provisions will apply to nine special districts. Standardization of these districts' election requirements.

Chapter 366 (HB 2372) County Free Library Districts

New body of law establishes the county free library district as a special district. Funding by countywide property tax levy. Board of supervisors is board of directors.

Chapter 390 (HB 2367) Creating Special Districts; Fire Districts

For five types of special districts, a uniform procedure for formation and boundary changes by petition is prescribed, and an impact statement additionally required. Numerous other organizational and board membership requirements for fire districts. Fire district creation and annexation moratorium imposed by Laws 1985, Chapter 10, is repealed effective 08/01/86.

1987

Chapter 3 (SB 1013) Pest Control District Maximum Assessment

Cap on district acreage assessment raised from \$5/acre to \$25/acre.

Chapter 41 (SB 1046) Irrigation Districts; Contracts; Bidding Exceptions

New guidelines established for irrigation districts for awarding contracts without advertising.

Chapter 151 (HB 2381) Election Dates; Consolidation; Study Commission

A 16-member study commission on election dates to study possible legislative reforms to consolidate election dates for state and local (including special districts) elections. Report due 12/31/87.

Chapter 170 (SB 1004) Appeals of Sanitary District Resolutions

Certain objections of a district property owner or owners against a district board's actions may be contested in superior court by protest petition or to board of supervisors.

Chapter 227 (SB 1187) Omnibus Sanitary District Statute Revisions

Numerous changes made to sanitary district powers including bids, elections, bond elections, taxable property, fees and formation.

Chapter 280 (HB 2117) Joint Special Road Districts

Allows formation of a joint special road district by combining two or more contiguous districts. Written for Fountain Hills where four districts exist side-by-side. Also provides for joint special road district bonding authority.

Chapter 299 (SB 1244) Fire District Procedures

Includes changes for fire districts and domestic water improvement districts:

Fire district changes include annual financial report, election to merge districts, fire codes, fee schedules and fire district assistance tax.

Domestic water improvement district changes include criteria for district establishment and eminent domain.

Chapter 304 (SB 1449) Irrigation Districts; Omnibus Statutory Revisions

Numerous changes involving board membership, water delivery assessments, loan repayment rates and bonding provisions.

NOTE: The foregoing list includes only those chapter laws which deal directly with special districts. Not included are numerous enactments relating to municipal and county improvement districts

1988 Proposed Legislation

SB 1004 Maximum Flood Control District Tax

Limits the countywide and zone taxes to 50¢ per \$100 assessed valuation. Presently not limited.

SB 1150 Hospital Districts; Costs

Expands hospital board of directors powers to fund operation or maintenance of hospital through imposition of a property tax, both directly or through lease of hospital to a hospital management company. (Became law as chapter 141.)

SB 1262 Community Facilities Districts

Adds a new body of special district law to provide infrastructure for a planned community. Funded by property taxes. Tax exempt bonding authority. Special district formation authorized within incorporated as well as unincorporated areas. (Became HB 2400 and signed into law as chapter 320.)

SB 1315 Hospital Districts; Board; Term

Provides new qualifications and term of office for boards of directors. (Became law as chapter 138.)

SB 1338 County Fire District Tax

Limits county fire district assistance tax to property not in incorporated cities and towns.

SB 1398 Flood District Mobile Home Taxation

Adds mobile homes to the property which may be taxed in a countywide flood control district.

SB 1465 Special Road Districts

A comprehensive re-write of the special road district statutes including new provisions on formation, structure, powers, road standards and bonding authority.

HB 2086 Special Road Districts; Technical Corrections.

Technical change to hold bill as a vehicle for a future strike-all amendment.

HB 2106 Rural Road Improvement Districts

Creates a rural road district to issue G.O. bonds to pay for paving of Maricopa Road in Pinal County. (Became law as chapter 233.)

HB 2219 County Fire District Assistance; Computation

In counties under 500,000 population, a cap on fire district assistance is imposed equal to 20% of the district's prior year M & O levy.

HB 2232 Fire District Tax; County Use

Amounts of the countywide fire district assistance tax collected from areas not presently served by fire districts would go to the county board of supervisors to provide fire services in those areas.

HB 2306 Pest Abatement Districts; Formation; Operation

Approval of a city or town in which proposed area of district is no longer required, and allows for inclusion of noncontiguous lands in district. Also raises property tax rate from 25¢ to 50¢. (Became law as chapter 283.)

HB 2308 Irrigation District Fiscal Year

District board of directors may adopt a different fiscal year than the state fiscal year of July 1 through June 30. (Became law as chapter 200.)

HB 2393 Optional Special District Mail Ballots

Allows mail ballot elections for certain special districts.

Appendix B

SPECIAL DISTRICT STATUTORY REPORTING REQUIREMENTS

ANNUAL COUNTY REPORT REQUIREMENTS

§ 11-251.07. Report of special taxing districts in the county

On or before October 1 of each year the board of supervisors shall submit to the state treasurer a list of all special taxing districts organized under title 48¹ in the county during the preceding fiscal year. The list shall include for each district:

1. The date of formation.
2. The total assessed valuation of the district.
3. The tax rate levied by the district for the current tax year.
4. The estimated budget for the district for the current fiscal year.
5. A map of the district.

Added by Laws 1986, Ch. 290, § 1, eff. May 5, 1986.

¹ Section 48-101 et seq.

Laws 1986, Ch. 290, § 8, effective May 5, 1986, provides:

"The board of supervisors of each county shall by December 31, 1986 submit to the auditor general a detailed listing of all special districts which were formed in the county between August 3, 1984 and the effective date of this act. The detailed listing shall include the total reve-

nues and expenditures and tax rate for the most recent fiscal year of the district, and the total amount and kind of all indebtedness of the district. For districts publishing an annual report containing this information the board of supervisors may submit the annual report of the district for the most recent fiscal year to satisfy the requirements of this section with respect to that district."

SPECIAL DISTRICT REPORTING REQUIREMENTS

§ 48-251. Annual report

A. Each district organized under this title and not exempted under subsection C of this section shall submit an annual report as prescribed by this section which contains the following information:

1. A schedule of the beginning and ending fund balances and all revenues and expenditures for the preceding fiscal year on a form prescribed by the auditor general or a financial statement for the preceding fiscal year that has been attested to by an independent certified public accountant. The schedule or statement shall include all monies, gifts or donations received from all sources which have a value exceeding one hundred dollars.

2. Legal descriptions of any boundary changes occurring during the preceding fiscal year.

3. The names, occupations and business telephone numbers of all members of the governing board and officers of the district on the last day of the preceding fiscal year.

4. The schedule and location of regular meetings of the district governing board.

5. The location or locations where public notices of meetings are posted pursuant to § 38-431.02.

B. The secretary or other officer of the district governing board shall submit the report within one hundred fifty days of the close of the district's fiscal year to the clerk of the board of supervisors of each county in which the district is located. At the same time the secretary or other officer shall also mail a copy of the report to the state treasurer.

C. Districts organized under chapters 4, 6, 17 and 22 of this title¹ are exempt from the requirements of this section.

D. If a district fails to submit a report as required by this section, any taxpayer residing in the district may petition the superior court in a county in which the district is organized to order the district to show cause why the report has not been submitted. On a failure to show cause the court shall order the district to file all reports as required by this section. A failure to obey the order of the court is punishable as contempt of court.

E. If the court finds that a district has violated this section, it shall award the taxpayer attorney fees and costs associated with bringing the action. Added by Laws 1986, Ch. 290, § 2, eff. May 5, 1986. Amended by Laws 1987, Ch. 299, § 1.

¹ Sections 48-501 et seq., 48-901 et seq., 48-2301 et seq. and 48-3701 et seq.

Appendix C

SPECIAL DISTRICT REPORTING FORM PREPARED BY THE AUDITOR GENERAL



DOUGLAS R. NORTON, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

August 27, 1986

TO: County Officials

FROM: Douglas R. Norton
Auditor General.

Linda J. Blessing
Linda J. Blessing, CPA
Deputy Auditor General

SUBJECT: Special District Annual Report

Arizona Revised Statutes (A.R.S.) §48-251, which was added to statutory law by House Bill 2312 (37th Legislature, Second Regular Session, 1986) prescribes that special districts not exempted under A.R.S. §48-251.C must prepare an annual report for all fiscal years ending on or after June 30, 1987. The report form and instructions for special districts to prepare such annual report have been developed by my Office as prescribed by House Bill 2312. The enclosed copies of this report form and instructions should be distributed by you to all districts within your County required to file a report.

Questions or comments should be referred to Magdalene D. Haggerty or Marese Barrier of the Accounting Services Division of my Office, 255-4385.

Enclosures



DOUGLAS R. NORTON, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

August 27, 1986

TO: Arizona Special Districts

FROM: Douglas R. Norton
Auditor General

Linda J. Blessing
Linda J. Blessing, CPA
Deputy Auditor General

The enclosed annual report form and instructions for fiscal year 1986-87 have been developed by my Office as prescribed by House Bill 2312 (37th Legislature, Second Regular Session, 1986).

Questions or comments should be referred to Magdalene D. Haggerty or Marese Barrier of the Accounting Services Division of my Office, 255-4385.

Enclosures

SPECIAL DISTRICT

ANNUAL REPORT

INSTRUCTIONS

Arizona Revised Statutes (A.R.S.) §48-251, which was added to statutory law by House Bill 2312 (37th Legislature, Second Regular Session, 1986) prescribes that special districts not exempted under A.R.S. §48-251.C must prepare an annual report.

The report must be filed by the appropriate districts for all fiscal years ending on or after June 30, 1987, and must be submitted to the Clerk of the Board of Supervisors of the county in which the district is located and to the State Treasurer, within 150 days after the district's fiscal year-end.

Additionally, an accurate map of the district showing the district boundaries as of the last day of the preceding calendar year must accompany the first report filed by the district.

Districts may submit a financial statement for the preceding fiscal year attested to by an independent certified public accountant in lieu of the schedule of revenues and expenditures required to be included in this report. The financial statement must include all revenues and expenditures of the preceding fiscal year.

The following detailed instructions address possible problem areas and are provided to assist in preparation of the report.

GOVERNING BOARD MEMBERS AND OFFICERS

Enter the names, occupations and business telephone numbers of all members of the governing board and officers of the district as of the last day of the fiscal year reported on.

PART A - LEGAL DESCRIPTION OF BOUNDARY CHANGES

If the boundaries of the district changed during the calendar year immediately preceding the fiscal year reported on, enter the legal description of the boundary changes.

PART B - SCHEDULE OF DISTRICT GOVERNING BOARD REGULAR MEETINGS

Enter the date, time and location of all regular governing board meetings held during the fiscal year reported on. Also, enter the location or locations where public notices of these meetings were posted pursuant to A.R.S. §38-431.02.

INSTRUCTIONS (Cont'd)

PART C - BASIS OF ACCOUNTING

Check the appropriate box indicating whether the district utilizes the modified accrual or cash basis of accounting.

Under the modified accrual basis of accounting, revenues are recognized in the fiscal year in which they become measurable and available to pay liabilities of the current fiscal year, and expenditures are recognized in the fiscal year in which the liability is incurred.

Under the cash basis of accounting, only cash receipts and disbursements should be recognized.

PART D - SCHEDULE OF REVENUES AND EXPENDITURES

REVENUES

Special district revenues should be recorded on page 3 of the report. Revenues of the fiscal year reported on should be recorded on the appropriate lines for each of the four revenue categories. The taxes, intergovernmental revenues, charges for services and other revenues should be totaled and the amount should be recorded on the total revenues line.

Descriptions of some revenues are provided below.

Taxes

Special road tax - Special Road Districts should record revenue received from the levy of a special road tax on all real property and mobile homes within the district in this category.

Intergovernmental revenues

County contribution - Districts should record monies received from the county in this category. For example, the county board of supervisors must pay from its General Fund to the Fire District Fund an amount determined pursuant to A.R.S. §9-1005.

Charges for Services

Districts should record revenue received for services provided by the district, such as fire protection and sewer user fees in this category. Services provided outside district boundaries should also be itemized and recorded here.

INSTRUCTIONS (Cont'd)

Other Revenues

Miscellaneous - Districts should record revenues that do not meet the criteria of other reported revenues, which individually are not significant in dollar amount, in this category.

Other - Districts should record revenues that do not meet the criteria of other revenues, which individually are significant in dollar amount, in this category. Such revenues may include dispatch services provided by fire districts to police departments, and investigative and inspection services provided to businesses. These revenues should be itemized on the blank lines provided.

EXPENDITURES

Special district expenditures should be recorded on pages 4 and 5 of the report. Expenditures of the fiscal year reported on should be recorded on the appropriate lines for each of the five expenditure categories. The personal services, operations, other services and charges, capital outlay and debt service expenditures should be totaled and the amount recorded on the total expenditures line.

Descriptions of some expenditures are provided below.

Personal Services

Retirement contributions - Districts should record expenditures representing the district's contribution to an employees' retirement fund in this category.

FICA - Districts should record expenditures representing the district's matching portion of social security taxes in this category.

Insurance - Districts should record expenditures for insurance premiums for life, medical and workers' compensation insurance in this category. Federal unemployment and State unemployment insurance payments should also be recorded here.

Operations

Purchased utilities - Districts should record expenditures for electricity, natural gas and water directly related to operations in this category. Expenditures for utilities relating to district administration should be recorded as public utility costs under the other services and charges category.

Repairs and maintenance - Districts should record expenditures for repairing or maintaining district buildings, structures, improvements, vehicles and equipment used in operations in this category.

INSTRUCTIONS (Cont'd)

Supplies and materials - Districts should record expenditures for supplies and materials related to operations in this category.

Small tools and minor equipment - Districts should record expenditures for items of a durable, nonconsumable nature that do not meet the district's asset capitalization policy in this category. Items that meet the district's capitalization policy should be recorded as machinery and equipment under the capital outlay category.

Communications and dispatch - Districts should record expenditures for radio communications and emergency telephones in this category. Office telephone expenditures should be recorded as administrative costs under the other services and charges category.

Miscellaneous - Districts should record expenditures directly related to operations that do not meet the criteria of other reported expenditures, which individually are not significant in dollar amount, in this category. Such expenditures may include miscellaneous operating supplies such as oxygen, bandages and uniforms.

Other - Districts should record expenditures directly related to operations that do not meet the criteria of other reported expenditures, which individually are significant in dollar amount, in this category. These expenditures should be itemized on the blank lines provided.

Other Services and Charges

Administration - Districts should record expenditures for office supplies, telephones, postage, printing and duplicating, administrative travel, dues, subscriptions, governing board members' and officers' fees, and election costs in this category.

Professional services - Districts should record expenditures for professional services rendered by persons not on the district payroll, such as legal, data processing, accounting, auditing and other contract services in this category. Expenditures by fire districts for fire protection contracted by the district with an outside fire protection service should be recorded here.

Training - Districts should record expenditures for tuition, per diem, transportation costs, instructors, textbooks, film rental, etc., related to training in this category.

Insurance - Districts should record expenditures for insurance premiums, other than those related to personnel, including coverage on buildings, vehicles and employees' liability in this category.

INSTRUCTIONS (Cont'd)

Public utility costs - Districts should record the cost of electricity, natural gas, water and sewage disposal related to administration in this category. Fire hydrant maintenance should be reported here if fire hydrants are not maintained by a fire district.

Repairs and maintenance - Districts should record expenditures for repairing or maintaining district buildings, structures, improvements and equipment other than that used in operations in this category.

Interest expense - Districts should record interest expense, including interest on capital leases but excluding bond interest, in this category.

Capital Outlay

Land - Districts should record expenditures for real property purchased for use by the district, including related costs of escrow, closing, attorneys' fees, survey fees, and grading and clearing prior to construction in this category.

Buildings - Districts should record expenditures for the purchase, construction, rehabilitation or conversion of buildings for the district's use in this category. Also, recorded are architectural and engineering fees relating to a construction project, and improvements such as heating and cooling equipment, plumbing, and other immovable fixtures.

Improvements other than buildings - Districts should record expenditures for items such as sewer and water lines, parking lots, fences, flagpoles, roads, bridges, and sidewalks in this category.

Leasehold improvements - Districts should record expenditures for permanent improvements to land or buildings under lease to the district in this category.

Construction in progress - Districts should record expenditures for construction undertaken but not yet completed in this category.

Vehicles - Districts should record expenditures for the purchase of district motor vehicles in this category.

Machinery and equipment - Districts should record expenditures for machinery and equipment items that meet the district's asset capitalization policy in this category. Items that do not meet the district's capitalization policy should be recorded as small tools and minor equipment under the operations category.

Debt Service

Districts should record expenditures for bond principal retirement during the fiscal year and for interest paid on outstanding bonded debt in this category.

INSTRUCTIONS (Concl'd)

PART E - TOTAL INDEBTEDNESS AND TAX RATE

House Bill 2312 (37th Legislature, Second Regular Session, 1986), Section 8, requires the Board of Supervisors of each county to submit a detailed listing of all special districts that were formed in the county between August 3, 1984 and May 5, 1986, to the Auditor General.

The detailed listing must include the total revenues and expenditures and tax rate for the most recent fiscal year of the district, and the total amount and kind of all indebtedness of the district.

To facilitate the county's compliance with the requirements of HB 2312, Section 8, districts formed between August 3, 1984 and May 5, 1986, may complete an annual report, including Part D, for fiscal year ended June 30, 1986.

Total Indebtedness

Districts should record total indebtedness at the end of the fiscal year reported on for each category provided. All other indebtedness should be itemized on the blank lines provided.

Tax Rate

Districts should record all tax rates of the district for the fiscal year reported on.

COUNTY, ARIZONA

DISTRICT

ANNUAL REPORT

YEAR ENDED

PART C

Basis of Accounting:

Cash
Modified Accrual

PART D

Schedule of Revenues and Expenditures:

Table with columns for Revenues and Amount. Rows include Taxes (Real estate, Personal property, Centrally assessed, Special assessments, Special road tax, Total taxes), Intergovernmental revenues (Federal grants, State grants, County contribution, Total intergovernmental revenues), Charges for services (Fire protection, Emergency medical (EMS), Water, Power, Other (itemize)), and Other revenues (Interest earnings, Rents, Leases, Licenses and permits, Penalties and late fees).

COUNTY, ARIZONA

DISTRICT

ANNUAL REPORT

YEAR ENDED

Revenues (Concl'd)

Contributions, gifts and donations from private sources	_____
Proceeds from the sale of bonds	_____
Loan proceeds	_____
Miscellaneous	_____
Other (itemize):	_____
_____	_____
_____	_____
<u>Total other revenues.</u>	_____

Total Revenues. \$ _____

Expenditures

Amount

Personal services:

Salaries and wages.	\$ _____
Retirement contributions.	_____
FICA.	_____
Insurance	_____
Employee benefits	_____
<u>Total personal services</u>	_____

Operations:

Purchased utilities	_____
Fuel, oil and lubricants.	_____
Repairs and maintenance	_____
Supplies and materials.	_____
Small tools and minor equipment	_____
Communications and dispatch	_____
Engineering	_____
Miscellaneous	_____
Other (itemize):	_____
_____	_____
_____	_____
<u>Total operations.</u>	_____

COUNTY, ARIZONA

DISTRICT

ANNUAL REPORT

YEAR ENDED

<u>Expenditures</u>	<u>Amount</u>
Other services and charges:	
Administration	_____
Professional services	_____
Training	_____
Insurance	_____
Judgments and losses	_____
Licenses and taxes	_____
Public utility costs	_____
Leases and rentals (equipment and housing)	_____
Repairs and maintenance	_____
Interest expense	_____
Penalties and late fees	_____
Depreciation	_____
Miscellaneous	_____
Other (itemize):	_____
_____	_____
_____	_____
<u>Total other services and charges.</u>	_____
Capital outlay:	
Land	\$ _____
Buildings	_____
Improvements other than buildings	_____
Leasehold improvements	_____
Construction in progress	_____
Vehicles	_____
Machinery and equipment	_____
Total capital outlay	_____
Debt service:	
Bond principal	_____
Bond interest	_____
Total debt service	_____
Total Expenditures	\$ _____

COUNTY, ARIZONA

DISTRICT

ANNUAL REPORT

YEAR ENDED

PART E

Total Indebtedness and Tax Rate:

<u>Total Indebtedness</u>	<u>Amount</u>
Accounts payable	\$ _____
Notes payable	_____
Deposits held in custody for customers/others	_____
Taxes payable	_____
Employee benefits payable	_____
Contracts payable	_____
Bonds payable	_____
Interest payable on bonds	_____
Other:	_____
_____	_____
_____	_____

The tax rate(s) for the fiscal year ended _____, _____, was (were):

\$ _____ per _____
\$ _____ per _____
\$ _____ per _____

Appendix D

AUDITOR GENERAL REMINDER MEMO TO COUNTIES CLARIFYING
SOME SPECIAL DISTRICT REPORTING FORM INSTRUCTIONS



DOUGLAS R. NORTON, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

October 28, 1986

TO: County Officials

FROM: *Douglas R. Norton*
Douglas R. Norton
Auditor General

SUBJECT: Special District Annual Report

House Bill 2312 (37th Legislature, Second Regular Session, 1986) prescribes that special districts not exempted under A.R.S. §48-251.C must prepare an annual report for all fiscal years ending on or after June 30, 1987. The report form and instructions were developed by my Office and mailed to you on August 27, 1986, for distribution to all special districts within your county required to file a report. This memo is to clarify certain items in those instructions. Please notify those special districts within your County that are required to file a report of these clarifications.

The following references to page, paragraph and part refer to the contents of the Special District Annual Report.

1. Page 1, Paragraph 3 and Part A - The preceding calendar year, for purposes of preparing a map of district boundaries and a legal description of boundary changes, is the calendar year ended during the fiscal year reported on. For example, if the fiscal year reported on is 1986-87, the preceding calendar year is 1986.
2. Page 6, Part E - HB 2312, Section 8, requires a detailed listing of all special districts that were formed in the county between August 3, 1984, and May 5, 1986, to be submitted to the Auditor General. Such listing must be submitted by December 31, 1986.

Questions or comments should be referred to Bob Alexander or Marese Barrier of the Accounting Services Division of my Office, 255-4385.

DRN/jh

Appendix E

DEPUTY STATE TREASURER REMINDER NOTICE RE SPECIAL
DISTRICT REPORTING SUBMISSION



OFFICE OF THE

State Treasurer

STATE CAPITOL

Phoenix, Arizona 85007

November 02, 1987

RAY ROTTAS
TREASURER
(602) 255-1463

RICHARD J. PETRENKA
DEPUTY TREASURER
ADMINISTRATION & OPERATIONS
(602) 255-1448

NEAL E. HELM
DEPUTY TREASURER
INVESTMENTS
(602) 255-1495

Ms. Deborah Kay Gale
Clerk of the Board
Greenlee County Courthouse
Post Office Box 908
Clifton, Arizona 85533

Dear Ms. Gale:

As you are already aware a change in the Arizona Revised Statutes made in 1986 now requires, pursuant to Senate Bill 2312 11-251.07 (attached) that each year the clerk of the Board of Supervisors submit to the State Treasurer a list of all special taxing districts organized under Title 48 during the preceding fiscal year. This report is in addition to the copies sent to our office of the individual reports filed by the districts.

If you have not yet submitted this report we request that you do so as early as possible. If you no new districts were created, please inform us of that fact in a letter. Please call me at 255-1448 if you have any questions regarding the report and thank you for your cooperation.

Sincerely,

RICHARD J. PETRENKA
Deputy State Treasurer

RJP/ag

Attachment

(Sent to all clerks of the board)

Appendix F

DRAFTS OF PROPOSED LEGISLATION

Exhibit	I	--	Special District Reports
Exhibit	II	--	Special District Impact Statement Use in Formation and Annexation Activity
Exhibit	III	--	Special District Reimbursement for County Services
Exhibit	IV	--	County Fire District Assistance Tax
Exhibit	V	--	Special District Definition and Board of Supervisors Formation Authority

REFERENCE TITLE: special district reports

State of Arizona
Thirty-ninth Legislature
First Regular Session
1989

AN ACT

RELATING TO SPECIAL TAXING DISTRICTS; PRESCRIBING REQUIREMENTS FOR ANNUAL COUNTY REPORT; PRESCRIBING REQUIREMENTS FOR ANNUAL SPECIAL DISTRICT REPORT; PRESCRIBING ADDITIONAL REPORT BY STATE TREASURER; PRESCRIBING PENALTY FOR NONCOMPLIANCE BY DISTRICT, AND AMENDING SECTIONS 11-251.07 AND 48-251, ARIZONA REVISED STATUTES.

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 11-251.07, Arizona Revised Statutes, is amended to read:
3 11-251.07. Report of special taxing districts in the county
4 A. On or before October 1 of each year the board of supervisors shall
5 submit to the state treasurer a ~~list~~ REPORT of all special taxing districts
6 organized under title 48 in the county during the preceding fiscal year, EXCEPT
7 FOR THOSE ORGANIZED UNDER CHAPTER 4 AND CHAPTER 6, ARTICLES 1
8 AND 2 OF TITLE 48. The ~~list~~ REPORT shall include for each district:
9 1. The date of formation.
10 2. The total assessed valuation of the district.
11 3. The tax rate levied by the district for the current tax year.
12 4. The estimated budget for the district for the current fiscal year.
13 5. A map of the district.
14 6. A COPY OF THE DISTRICT IMPACT STATEMENT REQUIRED FOR
15 CERTAIN DISTRICTS WHEN THEY ARE ORGANIZED.
16 B. THE ANNUAL REPORT SHALL ALSO INCLUDE FOR ANY DISTRICT
17 ORGANIZED UNDER TITLE 48 WHOSE BOUNDARIES CHANGED DURING THE
18 PRECEDING FISCAL YEAR, EXCEPT FOR DISTRICTS ORGANIZED UNDER
19 TITLE 48, CHAPTERS 4 AND 6. A CURRENT MAP OF THE DISTRICT'S
20 BOUNDARIES PLUS A COPY OF ANY BOUNDARY CHANGE IMPACT
21 STATEMENT REQUIRED FOR CERTAIN DISTRICTS WHEN BOUNDARY
22 CHANGES ARE MADE.
23 Sec. 2. Section 48-251, Arizona Revised Statutes, is amended to read:
24 48-251. Special district annual report; state treasurer annual report;
25 special district penalty for noncompliance
26 A. Each district organized under this title and not exempted under
27 subsection C of this section shall submit an annual report as prescribed by this
28 section which contains the following information:
29 1. A schedule of the beginning and ending fund balances and all revenues
30 and expenditures for the preceding fiscal year on a form prescribed by the auditor
31 general or THE SAME INFORMATION CONTAINED IN a financial statement for
32 the preceding fiscal year that has been attested to by an independent certified

1 public accountant. The schedule or statement shall include all monies, gift or
2 donations received from all sources which have a value exceeding one hundred
3 dollars.

4 2. Legal descriptions of any boundary changes occurring during the
5 preceding fiscal year.

6 3. The names, occupations and business telephone numbers of all members
7 of the governing board and officers of the district on the last day of the preceding
8 fiscal year.

9 4. The schedule and location of regular meetings of the district governing
10 board.

11 5. The location or locations where public notices of meetings are posted
12 pursuant to section 38-431.02.

13 6. THE NAME AND TITLE OF THE INDIVIDUAL OR INDIVIDUALS
14 COMPLETING THE REPORTING REQUIREMENTS PURSUANT TO THIS
15 SUBSECTION.

16 B. The secretary or other officer of the district governing board shall
17 submit the report within one hundred fifty days of the close of the district's fiscal
18 year to the clerk of the board of supervisors of each county in which the district
19 is located. At the same time, the secretary or other officer shall also mail a copy
20 of the report to the state treasurer. FOR ANY DISTRICT FOR WHICH THE
21 BOARD OF SUPERVISORS IS THE BOARD OF DIRECTORS AND FOR WHICH
22 THE DISTRICT IS INCLUDED AS A PART OF THE COUNTY'S ANNUAL AUDIT
23 AND REPORT BY THE AUDITOR GENERAL, A COPY OF THE ANNUAL AUDIT
24 REPORT SHALL BE SUBMITTED BY THE AUDITOR GENERAL UPON ITS
25 COMPLETION TO THE STATE TREASURER.

26 C. Districts organized under chapters 4, 6 17, and 22, 24 AND CHAPTER
27 6, ARTICLES 1 AND 2 of this title are exempt from the requirements of this
28 section.

29 D. If a district fails to submit a report as required by this section, any
30 taxpayer residing in the district may petition the superior court in a county in
31 which the district is organized to order the district to show cause why the report
32 has not been submitted. On a failure to show cause the court shall order the
33 district to file all reports as required by this section. A failure to obey the order
34 of the court is punishable as contempt of court.

35 E. If the court finds that a district has violated this section, it shall award
36 the taxpayer attorney fees and costs associated with bringing the action.

37 F. THE STATE TREASURER SHALL ANNUALLY BY DECEMBER 31
38 SUBMIT A REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF THIS
39 SECTION TO THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE
40 OF REPRESENTATIVES AND THE GOVERNOR. THE ANNUAL REPORT SHALL
41 INCLUDE A LISTING OF ALL THOSE DISTRICTS REQUIRED TO COMPLY WITH
42 THE REQUIREMENTS OF THIS SECTION, THE DISTRICTS IN COMPLIANCE
43 AND NOT IN COMPLIANCE WITH SUCH REQUIREMENTS AND AN ANALYSIS
44 OF THE SUFFICIENCY OF EACH DISTRICT REPORT.

45 G. THE COUNTY TREASURER SHALL NOT HONOR WARRANTS FOR
46 ANY DISTRICT WHICH IS NOT IN COMPLIANCE WITH THE REPORTING

1 REQUIREMENTS OF THIS SECTION UNTIL SUCH TIME AS CERTIFICATION IS
2 RECEIVED BY THE STATE TREASURER OF SUCH COMPLIANCE. THE BOARD
3 OF SUPERVISORS MAY AUTHORIZE THE COUNTY TREASURER TO HONOR
4 WARRANTS FOR A DISTRICT NOT IN COMPLIANCE WITH REPORTING
5 REQUIREMENTS IF THE DISTRICT BOARD MAKES A REQUEST TO THE
6 BOARD OF SUPERVISORS AND THE BOARD OF SUPERVISORS DEEMS
7 EXTENUATING OR MITIGATING CIRCUMSTANCES TO EXIST.

REFERENCE TITLE: special district
impact statement

State of Arizona
Thirty-ninth Legislature
First Regular Session
1989

AN ACT

RELATING TO SPECIAL TAXING DISTRICTS; PRESCRIBING REQUIREMENTS FOR SPECIAL DISTRICT IMPACT STATEMENT FOR PROPOSED DISTRICT FORMATION AND DISTRICT BOUNDARY CHANGES; AMENDING SECTIONS 48-261 AND 48-262, ARIZONA REVISED STATUTES, AND AMENDING TITLE 48, CHAPTER 1, ARTICLE 10, ARIZONA REVISED STATUTES, BY ADDING SECTION 48-263.

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

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

3 48-261. District creation; procedures; bond requirement; notice;
4 hearing; determinations; petitions

5 A. A fire district, community park maintenance district, sanitary
6 district, hospital district, or health services district shall be created by the
7 following procedures:

8 1. Any person desiring to propose creation of a district shall prepare and
9 submit a district impact statement to the board of supervisors of the county in
10 which the district is to be located. If a proposed district is located in more than
11 one county, the impact statement shall be submitted to the board of supervisors
12 of the county in which the majority of the assessed valuation of the proposed
13 district is located. The boards of supervisors of any other counties in which a
14 portion of the district is located shall provide information and assistance to the
15 responsible board of supervisors. IF THE PERSON OR PERSONS DESIRING TO
16 CREATE A DISTRICT PURSUANT TO THIS SECTION IS UNABLE TO COMPLETE
17 THE DISTRICT IMPACT STATEMENT, THE BOARD OF SUPERVISORS MAY
18 ASSIST IN THE COMPLETION OF THE IMPACT STATEMENT IF REQUESTED TO
19 DO SO, PROVIDING THE BOND REQUIRED IN SUBSECTION C OF THIS
20 SECTION IS IN AN AMOUNT SUFFICIENT TO COVER ANY ADDITIONAL COST
21 TO THE COUNTY. The district impact statement shall contain at least the
22 following information:

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

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

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

28 (d) A list AND EXPLANATION of benefits that will result from the
29 proposed district.

30 (e) A list AND EXPLANATION of the injuries that will result from the

1 proposed district.

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

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

10 3. Upon receipt of the district impact statement, the clerk of the board
11 of supervisors shall mail, by first class mail, written notice of the statement, its
12 purpose and notice of the day, hour and place of the hearing on the proposed
13 district to each owner of ~~real~~ TAXABLE property and each qualified elector
14 within the boundaries of the proposed district. The clerk of the board of
15 supervisors shall post the notice in at least three conspicuous public places in the
16 area of the proposed district and shall publish twice weekly in a daily newspaper
17 of general circulation in the area of the proposed district, at least ten days before
18 the hearing, or, if no daily newspaper of general circulation exists in the area of
19 the proposed district, then at least twice at any time before the date of the
20 hearing, a notice setting forth the purpose of the impact statement, the
21 description of the area of the proposed district and the day, hour and place of the
22 hearing.

23 4. At the hearing called pursuant to paragraph 2 of this subsection, the
24 board of supervisors shall hear those who appear for and against the proposed
25 district and shall determine whether the creation of the district will promote
26 public health, comfort, convenience, necessity or welfare. If the board of
27 supervisors determines that the public health, comfort, convenience, necessity or
28 welfare will be promoted, it shall approve the district impact statement and
29 authorize the persons proposing the district to circulate petitions as provided in
30 this subsection. The order of the board of supervisors shall be final, but if the
31 request to circulate petitions is denied, a subsequent request for a similar district
32 may be refiled with the board of supervisors after six months from the date of
33 such denial.

34 5. After receiving the approval of the board of supervisors as provided
35 in paragraph 4 of this subsection, the person proposing the district may circulate
36 and present petitions to the board of supervisors of the county in which the
37 district is located.

38 6. The petitions presented pursuant to paragraph 5 of this subsection
39 shall:

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

45 (b) Be signed by more than one-half of the property owners in the area of
46 the proposed district.

47 (c) Be signed by persons owning collectively more than one-half of the
48 assessed valuation of the property in the area of the proposed district.

49 (d) Be signed by more than one-half of the qualified electors within the
50 boundaries of the proposed district.

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

4 8. Prior to the hearing called pursuant to paragraph 7 of this subsection,
5 the board of supervisors shall determine the validity of the petitions presented.

6 9. At the hearing called pursuant to paragraph 7, the board of
7 supervisors shall, if the petitions are valid, order the creation of the district. The
8 board of supervisors shall enter its order setting forth its determination in the
9 minutes of the meeting, not later than ten days from the day of the hearing, and a
10 copy of the order shall be filed in the county recorder's office. The order of the
11 board of supervisors shall be final and the proposed district shall be created thirty
12 days after the board of supervisors votes to create the district. A decision of the
13 board of supervisors under this subsection is subject to judicial review under title
14 12, chapter 7, article 6.

15 B. For the purpose of determining the validity of the petitions presented
16 pursuant to subsection A, paragraph 5 of this section:

17 1. Qualified electors shall be those persons qualified to vote pursuant to
18 Title 16.

19 2. FOR THE PURPOSES OF FULFILLING THE REQUIREMENTS OF
20 SUBSECTION A, PARAGRAPH 6, SUBDIVISIONS (b) and (c) OF THIS SECTION,
21 PROPERTY HELD IN JOINT TENANCY SHALL BE TREATED AS IF IT HAD
22 ONLY ONE PROPERTY OWNER, SO THAT THE SIGNATURE OF ONLY ONE OF
23 SUCH OWNERS OF PROPERTY HELD IN JOINT TENANCY SHALL BE
24 REQUIRED ON THE FORMATION PETITION.

25 ~~2.~~ 3. The value of property shall be determined as follows:

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

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

37 C. THE BOARD OF SUPERVISORS MAY REQUIRE OF THE PERSON
38 OR PERSONS DESIRING TO PROPOSE CREATION OF A DISTRICT PURSUANT
39 TO SUBSECTION A, PARAGRAPH 1 OF THIS SECTION A REASONABLE BOND
40 TO BE FILED WITH THE BOARD AT THE START OF PROCEEDINGS UNDER
41 THIS SECTION. THE BOND SHALL BE IN AN AMOUNT SUFFICIENT TO COVER
42 COSTS INCURRED BY THE COUNTY IN THE EVENT THAT THE DISTRICT IS
43 NOT FINALLY ORGANIZED. COUNTY COSTS COVERED BY THE BOND
44 INCLUDE ANY EXPENSE INCURRED FROM COMPLETION OF THE DISTRICT
45 IMPACT STATEMENT, MAILING OF THE NOTICE OF HEARING TO DISTRICT
46 PROPERTY OWNERS AND ELECTORS, PUBLICATION OF THE NOTICE OF
47 HEARING AND OTHER EXPENSES REASONABLY INCURRED AS A RESULT OF
48 ANY REQUIREMENTS OF THIS SECTION.

1 date, for a hearing on the boundary change impact statement. The board of
2 supervisors may at any time prior to making a determination pursuant to
3 paragraph 5 of this subsection require that the impact statement be amended to
4 include any information that the board of supervisors deems to be relevant and
5 necessary.

6 3. Upon receipt of the boundary change impact statement, the clerk of
7 the governing body shall mail, by first class mail, written notice of the statement,
8 its purpose and notice of the day, hour and place of the hearing on the proposed
9 change to each owner of real TAXABLE property and each qualified elector
10 within the boundaries of the proposed change. The clerk of the governing body
11 shall post the notice in at least three conspicuous public places in the area of the
12 proposed change and also publish twice in a daily newspaper of general circulation
13 in the area of the proposed change, at least ten days before the hearing, or if no
14 daily newspaper of general circulation exists in the area of the proposed change,
15 then at least twice at any time before the date of the hearing, a notice setting
16 forth the purpose of the impact statement, the description of the boundaries of
17 the proposed change and the day, hour and place of the hearing.

18 4. Upon receipt of the boundary change impact statement the clerk
19 shall also mail notice, as provided in paragraph 3 of this subsection, to the
20 chairman of the board of supervisors of the county in which the district is located.
21 The chairman of the board of supervisors shall order a review of the proposed
22 change and may submit written comments to the governing body of the district
23 within ten days of receipt of the notice.

24 5. At the hearing called pursuant to paragraph 2 of this subsection, the
25 governing body shall consider the comments of the board of supervisors, hear
26 those who appear for and against the proposed change and determine whether the
27 proposed change will promote the public health, comfort, convenience, necessity
28 or welfare. If the governing body determines that the public health, comfort,
29 convenience, necessity or welfare will be promoted, it shall approve the impact
30 statement and authorize the persons proposing the change to circulate petitions as
31 provided in this subsection. The order of the governing body shall be final, but if
32 the request to circulate petitions is denied, a subsequent request for a similar
33 change may be refiled with the governing body after six months from the date of
34 such denial.

35 6. A person aggrieved by a decision of the governing body under this
36 section may appeal to the board of supervisors of the county in which the district,
37 or a majority of the district, is located, and a person aggrieved by a decision of
38 the board of supervisors may appeal to the superior court in the county in the
39 manner prescribed by title 12, chapter 7, article 6 and by posting a bond equal to
40 the probable costs conditioned that the appellant will prosecute his appeal and
41 will pay all costs that accrue in the court if a judgment is rendered affirming the
42 decision of the board of supervisors. The court shall require the district governing
43 body to pay all costs that accrue in the court, including reasonable attorney fees,
44 and the bond shall be returned to the appellant, if a judgment is rendered in favor
45 of the appellant.

46 7. After receiving approval of the governing body as provided in
47 paragraph 5 of this subsection and provided no appeal filed pursuant to paragraph
48 6 of this subsection remains unresolved, the person proposing the change may
49 circulate and present petitions to the governing body of the district.

1 8. The petitions presented pursuant to paragraph 7 of this subsection
2 shall:

3 (a) At all times, contain a description of the boundaries of the area to be
4 included within the proposed change and a detailed, accurate map of the area
5 included within the proposed change. No alteration of the described area shall be
6 made after receiving the approval of the governing body as provided in paragraph
7 5 of this subsection.

8 (b) Be signed by more than one-half of the property owners within the
9 boundaries of the proposed change.

10 (c) Be signed by persons owning collectively more than one-half of the
11 assessed valuation of the property within the boundaries of the proposed change.

12 (d) Be signed by more than one-half of the qualified electors within the
13 boundaries of the proposed change.

14 9. On receipt of the petitions, the governing body shall set a day, not
15 fewer than ten nor more than thirty days from that date, for a hearing on the
16 request.

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

19 11. At the hearing called pursuant to paragraph 9 of this subsection, the
20 governing body shall, if the petitions are valid, order the change to the
21 boundaries. The governing body shall enter its order setting forth its
22 determination in the minutes of the meeting, not later than ten days from the day
23 of the hearing, and a copy of the order shall be filed in the county recorder's
24 office. The order of the governing body shall be final and the proposed change
25 shall be made to the district boundaries thirty days after the governing body
26 votes. An appeal of the order to change the boundaries to the board of
27 supervisors pursuant to paragraph 6 of this subsection must be filed with the board
28 of supervisors during such thirty day period.

29 B. For the purpose of determining the validity of the petitions presented
30 pursuant to subsection A, paragraph 7:

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

33 2. FOR THE PURPOSES OF FULFILLING THE REQUIREMENTS OF
34 SUBSECTION A, PARAGRAPH 8, SUBDIVISIONS (b) and (c) OF THIS SECTION,
35 PROPERTY HELD IN JOINT TENANCY SHALL BE TREATED AS IF IT HAD
36 ONLY ONE PROPERTY OWNER, SO THAT THE SIGNATURE OF ONLY ONE OF
37 SUCH OWNERS OF PROPERTY HELD IN JOINT TENANCY SHALL BE
38 REQUIRED ON THE BOUNDARY CHANGE PETITION.

39 2. 3. The value of property shall be determined as follows:

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

43 (b) In the case of property valued by the department of revenue, the
44 values shall be those determined by the department in the manner provided by
45 law, for municipal assessment purposes. The county assessor and the department
46 of revenue, respectively, shall furnish to the governing body, within twenty days
47 after such a request, a statement in writing showing the owner, the address of
48 each owner and the appraisal or assessment value of properties contained within
49 the area of a proposed change as described in subsection A.

1 C. If the change in the boundaries proposed pursuant to subsection A
2 would result in a withdrawal of territory from an existing district, the petitions
3 shall be approved by the governing body only if the proposed withdrawal would not
4 result in a noncontiguous portion of the district that is less than one square mile
5 in size.

6 D. If the impact statement described in subsection A relates to the
7 withdrawal of property from a district, in addition to the other requirements of
8 subsection A, the governing body shall also determine:

9 1. If the district has any existing outstanding bonds or other evidences
10 of indebtedness.

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

13 E. If the conditions of subsection D are met:

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

18 2. The governing body shall:

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

22 (b) Notify the board of supervisors on or before the third Monday in July
23 of the amount determined in subdivision (a).

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

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

34 G. Except as provided in subsection C, no change in the boundaries of a
35 district pursuant to this section shall result in a district which contains area that
36 is not contiguous.

37 Sec. 3. Title 48, chapter 1, article 10, Arizona Revised Statutes, is
38 amended by adding section 48-263, to read:

39 48-263. Special district impact statement; district creation; district
40 boundary change; bond requirement

41 A. NOTWITHSTANDING ANY OTHER SPECIAL DISTRICT
42 ORGANIZATION OR BOUNDARY CHANGE REQUIREMENTS, A SPECIAL
43 DISTRICT IMPACT STATEMENT IS REQUIRED OF EACH ANTINOXIOUS WEED
44 DISTRICT, PEST CONTROL DISTRICT, RECREATION CENTER DISTRICT,
45 SPECIAL ROAD DISTRICT, POWER DISTRICT, ELECTRICAL DISTRICT, PEST
46 ABATEMENT DISTRICT, AGRICULTURAL IMPROVEMENT DISTRICT,
47 DRAINAGE AND FLOOD PROTECTION DISTRICT, IRRIGATION AND WATER
48 CONSERVATION DISTRICT AND IRRIGATION WATER DELIVERY DISTRICT, AS
49 FOLLOWS:

1 1. IN THE CASE OF A SPECIAL DISTRICT FORMATION PROPOSAL
2 AND PRIOR TO THE CIRCULATION OF ORGANIZATION PETITIONS
3 OTHERWISE REQUIRED, THE SPECIAL DISTRICT IMPACT STATEMENT AND
4 HEARING REQUIREMENTS PURSUANT TO SECTION 48-261, SUBSECTION A,
5 PARAGRAPHS 1 THROUGH 4, AND SUBSECTIONS C, D AND E MUST FIRST BE
6 COMPLIED WITH.

7 2. IN THE CASE OF A PROPOSED SPECIAL DISTRICT BOUNDARY
8 CHANGE TO AN EXISTING DISTRICT AND PRIOR TO THE CIRCULATION OF
9 BOUNDARY CHANGE PETITIONS OTHERWISE REQUIRED, THE BOUNDARY
10 CHANGE IMPACT STATEMENT AND HEARING REQUIREMENTS PURSUANT
11 TO SECTION 48-262, SUBSECTION A, PARAGRAPHS 1 THROUGH 7, AND
12 SUBSECTIONS D AND F MUST FIRST BE COMPLIED WITH.

13 B. THE BOARD OF SUPERVISORS MAY REQUIRE OF THE PERSON
14 OR PERSONS DESIRING TO PROPOSE CREATION OF A DISTRICT
15 ENUMERATED IN SUBSECTION A OF THIS SECTION A REASONABLE BOND TO
16 BE FILED WITH THE BOARD, IN ACCORDANCE WITH THE PROVISIONS OF
17 SECTION 48-261, SUBSECTION C.

REFERENCE TITLE: special district reimbursement
for county services

State of Arizona
Thirty-ninth Legislature
First Regular Session
1989

AN ACT

RELATING TO COUNTIES; PROVIDING FOR REIMBURSEMENT FOR COUNTY SERVICES TO SPECIAL DISTRICTS; PRESCRIBING REIMBURSEMENT FOR CERTAIN DISTRICTS; AMENDING SECTION 11-251.06, ARIZONA REVISED STATUTES, AND AMENDING TITLE 48, CHAPTER 24, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 48-3906.

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 11-251.06, Arizona Revised Statutes, is amended to
3 read:
4 11-251.06 Reimbursement for county services to special districts
5 A. Notwithstanding any other statute, the board of supervisors may
6 require the following special districts to reimburse the county for the cost of
7 services provided to the special districts:
8 1. Antinoxious weed districts formed pursuant to title 48, chapter 2.
9 2. Pest control districts formed pursuant to title 48, chapter 3.
10 3. Fire districts formed pursuant to title 48, chapter 5.
11 4. County improvement districts formed pursuant to title 48, chapter 6.
12 5. County improvement districts for lighting formed pursuant to 48-960
13 and 48-961.
14 6. Domestic water improvement districts formed pursuant to title 48,
15 chapter 6, article 4.
16 7. County television improvement districts formed pursuant to title 48,
17 chapter 7.
18 8. Community park maintenance districts formed pursuant to title 48,
19 chapter 8.
20 9. Recreation center districts formed pursuant to title 48, chapter 9.
21 10. Special road districts formed pursuant to title 48, chapter 10.
22 11. Power districts formed pursuant to title 48, chapter 11.
23 12. Electrical districts formed pursuant to title 48, chapter 12.
24 13. Hospital districts pursuant to title 48, chapter 13.
25 14. Sanitary districts formed pursuant to title 48, chapter 14.
26 15. Pest abatement districts formed pursuant to title 48, chapter 15.
27 16. Health service districts formed pursuant to title 48, chapter 16.
28 17. Agricultural improvement districts formed pursuant to title 48,
29 chapter 17.
30 18. Drainage and flood protection districts formed pursuant to title 48,
31 chapter 18.

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19. Irrigation and water conservation districts formed pursuant to title 48, chapter 19.

20. Irrigation water delivery districts formed pursuant to title 48, chapter 20.

21. County flood control districts formed pursuant to title 48, chapter 21.

22. Multi-county water conservation districts formed pursuant to title 48, chapter 22.

23. COUNTY FREE LIBRARY DISTRICTS FORMED PURSUANT TO TITLE 48, CHAPTER 24.

B. The board of supervisors shall establish a schedule for reimbursement of county services and shall distribute this schedule to the special districts prior to providing any service named in the schedule. THE SCHEDULE MAY INCLUDE CHARGES TO NEWLY ORGANIZED SPECIAL DISTRICTS FOR COUNTY SERVICES RENDERED TO SUCH DISTRICTS PRIOR TO AND DURING ORGANIZATION. The reimbursement schedule shall not exceed the actual costs for the services provided by the county.

C. If the board of supervisors requires reimbursement for county services pursuant to subsections A and B of this section, the governing body of a special district listed in subsection A of this section may elect to perform for itself any of the services provided by the county in lieu of reimbursement, except election and financial services provided by the county.

D. Subsection C of this section does not authorize the governing board of any of the named special districts to levy any additional taxes not otherwise specified by statute.

Section 2. Title 48, chapter 24, article 1, Arizona Revised Statutes, is amended by adding section 48-3906, to read:

48-3906. Reimbursement for county services

SERVICES PROVIDED BY A COUNTY TO A COUNTY FREE LIBRARY DISTRICT ARE SUBJECT TO REIMBURSEMENT PURSUANT TO SECTION 11-251.06.

REFERENCE TITLE: county fire district
assistant tax

State of Arizona
Thirty-ninth Legislature
First Regular Session
1989

AN ACT

RELATING TO SPECIAL TAXING DISTRICTS; PROVIDING FOR A COUNTY FIRE DISTRICT ASSISTANCE TAX; PRESCRIBING EXCLUSION OF CERTAIN REVENUES WHEN COMPUTING AMOUNT OF FIRE DISTRICT ASSISTANCE, AND AMENDING SECTION 48-807, ARIZONA REVISED STATUTES.

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 48-807, Arizona Revised Statutes, is amended to read:
3 48-807. County fire district assistance tax; computation and levy;
4 annual budget
5 A. The board of supervisors of a county shall, at the time of levying,
6 collecting and distributing other property taxes, levy, collect and distribute a
7 county fire district assistance tax on the taxable property in the county of not to
8 exceed, except as otherwise provided, ten cents per one hundred dollars of
9 assessed valuation. The tax levy provided for in this subsection shall be a levy of
10 secondary property taxes and shall not be subject to section 42-301. The county
11 treasurer shall pay to each district in the county from the proceeds of the tax an
12 amount equal to twenty per cent of the annual budget adopted by the district for
13 services provided inside fire district boundaries for the fiscal year in which the
14 tax will be levied, except that:
15 1. The amount of assistance from the county to a fire district shall be
16 reduced as follows:
17 (a) If the fire district assistance tax received by a fire district in the
18 preceding fiscal year exceeds twenty per cent of the district's actual total
19 expenditures for services provided inside fire district boundaries for the preceding
20 year, the current year's fire district assistance tax shall be reduced by the dollar
21 amount by which the previous year's contribution exceeded twenty per cent of
22 such actual total expenditures.
23 (b) The amount of assistance to a fire district shall be reduced by the
24 same percentage as the amount of district monies for services provided inside fire
25 district boundaries, from any source, remaining unexpended and unencumbered at
26 the end of the preceding fiscal year represents of the current year's budget for
27 services provided inside fire district boundaries. For purposes of this subdivision,
28 fire district monies are not unexpended and unencumbered if they are capital
29 reserve monies set aside by the fire district to pay for the capital acquisitions
30 pursuant to 48-805, subsection B, paragraph 2 or if they are monies necessary to
31 pay for goods and services received in the preceding fiscal year for which
32 payment will not be made until the current fiscal year.

1 (c) If the total amount to be paid to all districts in the county under this
2 paragraph exceeds the amount to be raised by the levy of ten cents per one
3 hundred dollars assessed valuation, then the county treasurer shall pay an amount
4 less than twenty per cent of the annual budget of each district. The amount to be
5 paid by the county treasurer to each district shall be determined by multiplying
6 the proceeds of the county fire district assistance tax against the proportion that
7 the budget of each such district bears to the total of all fire district budgets in
8 the county.

9 2. FOR THE PURPOSES OF THIS SUBSECTION THE ADOPTED
10 BUDGET OF THE FIRE DISTRICT SHALL NOT INCLUDE:

11 (a) SUBVENTIONS OR GRANTS OF ANY KIND RECEIVED BY THE
12 DISTRICT FROM ANY AGENCY, DEPARTMENT OR OTHER AUTHORITY OF
13 THIS STATE OR THE FEDERAL GOVERNMENT.

14 (b) PAYMENTS RECEIVED FROM A CITY, TOWN OR FIRE DISTRICT
15 PURSUANT TO A CONTRACT OR OTHER AGREEMENT TO PROVIDE
16 SERVICES WITHIN SUCH CITY, TOWN OR FIRE DISTRICT.

17 (c) PROCEEDS FROM THE SALES OF BONDS PURSUANT TO SECTION
18 48-806.

19 (d) PROPERTY TAX PROCEEDS TO BE APPLIED TO THE PAYMENT
20 OF PRINCIPAL OF AND INTEREST ON BONDS ISSUED PURSUANT TO
21 SECTION 48-806.

22 ~~2.~~ 3. Notwithstanding paragraph 1 of this subsection, if the tax rate
23 levied by the board pursuant to subsection C of this section is equal to two dollars
24 sixty cents per one hundred dollars of taxable valuation and the amount to be paid
25 to the district under this subsection is less than the amount paid to the district in
26 the preceding year, then the county shall levy an additional amount for the
27 district equal to the difference between the amount to be paid pursuant to this
28 subsection and the amount paid to the district in the preceding year.

29 ~~3.~~ 4. Beginning with the 1988-1989 fiscal year, the amount of
30 assistance to a fire district shall not exceed one hundred ten per cent of the
31 amount of county fire district assistance monies paid to the district in the
32 preceding fiscal year. Every fifth successive fiscal year the base amount
33 prescribed by this paragraph shall be recomputed to the full amount allowed as if
34 this paragraph did not apply.

35 B. Not more than ten days after the perfection of the organization of a
36 fire district, and thereafter not later than July 10 of each year, the chief and the
37 secretary-treasurer of the district, or if there is a district board, the chairman of
38 such board, shall submit to the board of supervisors an estimate, certified by
39 items, of the amount of money required for the equipment and maintenance of the
40 district for the ensuing year, less the amount derived from the county fire district
41 assistance tax as provided by subsection A of this section. The estimate may also
42 include amounts necessary to pay the reasonable value of organizational and legal
43 services and expenses rendered or paid by others in the fiscal year immediately
44 prior to the fiscal year for which the estimate is submitted. If the estimate is not
45 submitted by July 10, the fire district is not eligible to receive county fire dis-
46 trict assistance tax monies until the estimate is received by the board of
47 supervisors.

48 C. The board, based on the budget submitted by the district, shall, in
49 addition to any tax levied as provided in section 48-806, levy a tax, not to exceed
50 two dollars sixty cents per one hundred dollars of taxable valuation, against all

1 property situated within the district boundaries and appearing upon the last
2 assessment roll. The levy shall be made and the taxes collected in the manner, at
3 the time and by the officers provided by law for the collection of state and county
4 taxes.

5 D. The county treasurer shall keep the money received from such taxes
6 in a separate fund known as the "fire district fund" of the town or settlement for
7 which collected. Any surplus remaining in the fund at the end of the fiscal year
8 shall be credited to the fire district fund of the town or settlement for which
9 collected for the succeeding fiscal year.

10 E. When a fire district has adopted a budget and the board of supervisors
11 has levied a fire district tax as provided in subsection C of this section and the
12 district has insufficient money in its fund with the county treasurer to operate the
13 district, the elected chief and the secretary-treasurer, or if there is a district
14 board, the chairman of the board, may, on or after July 10 of each year, draw
15 warrants for the purposes prescribed in section 48-805 on the county treasurer,
16 payable on November 1 of that year or on April 1 of the succeeding year. The
17 aggregate amounts of the warrants may not exceed ninety per cent of the taxes
18 levied by the county for the district's current fiscal year. If the treasurer cannot
19 pay a warrant for lack of funds in the fire district fund, the warrant shall be
20 endorsed, be registered, bear interest and be redeemed as provided by law for
21 county warrants, except that the warrants are payable only from the fire district
22 fund.

23 Section 2. Retroactivity

24 This act is effective retroactively to July 1, 1989.

REFERENCE TITLE: special district definition;
district formation approval

State of Arizona
Thirty-ninth Legislature
First Regular Session
1989

AN ACT

RELATING TO SPECIAL TAXING DISTRICTS; PROVIDING A DEFINITION FOR SPECIAL DISTRICTS; PRESCRIBING A PURPOSE; PRESCRIBING SPECIAL DISTRICT CHARACTERISTICS; PRESCRIBING RETROACTIVITY OF DEFINITION; PROVIDING FOR AUTHORITY OF BOARD OF SUPERVISORS TO APPROVE OR DISAPPROVE FORMATION OF A DISTRICT, AND AMENDING TITLE 48, CHAPTER 1, ARIZONA REVISED STATUTES, BY ADDING ARTICLES 11 AND 12.

- 1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Title 48, chapter 1, Arizona Revised Statutes, is amended by
3 adding article 11, to read:
4 ARTICLE 11. SPECIAL DISTRICT DEFINITION
5 48-271. Definition of special district; purpose; characteristics;
6 retroactivity
7 A. THE PURPOSE OF THE SPECIAL DISTRICT DEFINITION SET
8 FORTH IN THIS SECTION IS TO ENHANCE UNDERSTANDING OF AND TO
9 FACILITATE USEFULNESS OF THIS TITLE. IT IS FURTHER INTENDED THAT
10 THE DEFINITION BE USED AS A LEGISLATIVE GUIDE FOR FUTURE SPECIAL
11 DISTRICTS LAWS, THEIR IMPACT ON AND PLACEMENT IN THIS TITLE.
12 B. UNLESS THE CONTEXT DICTATES OTHERWISE, A DISTRICT
13 ORGANIZED PURSUANT TO REQUIREMENTS CONTAINED IN THIS TITLE
14 AFTER JANUARY 1, 1989 IS A SPECIAL DISTRICT IF IT POSSESSES
15 SUBSTANTIALLY THE FOLLOWING CHARACTERISTICS:
16 1. POLITICAL SUBDIVISION STATUS OF THIS STATE VESTED, TO
17 THE EXTENT CONSISTENT WITH ITS STATED PURPOSES, WITH THE RIGHTS,
18 PRIVILEGES AND BENEFITS GRANTED TO MUNICIPALITIES OF THIS STATE.
19 2. A SINGLE OR LIMITED PURPOSE AS SPECIFIED IN ITS
20 AUTHORIZING STATUTORY AUTHORITY.
21 3. AN INDEPENDENTLY ELECTED GOVERNING BODY.
22 4. AN ESTABLISHMENT PROCESS SUBJECT TO THE DISCRETION OF
23 THE BOARD OF SUPERVISORS PURSUANT TO SECTION 48-281.
24 5. EXTERIOR BOUNDARIES WITHIN OR COTERMINOUS WITH A
25 SINGLE COUNTY.
26 6. THE POWER TO LEVY AND COLLECT TAXES.
27 7. AFTER ESTABLISHMENT, PERPETUAL SUCCESSION OF ITS

1 GOVERNMENTAL EXISTENCE, PURPOSE, POWERS AND GOVERNING BOARD,
2 SUBJECT TO A PRESCRIBED DISSOLUTION PROCEDURE.

3 8. CORPORATE EXISTENCE SEPARATE AND APART FROM ANY
4 OTHER UNIT OF GOVERNMENT.

5 C. THE SPECIAL DISTRICT DEFINITION SET FORTH IN THIS SECTION
6 APPLIES TO ALL SPECIAL DISTRICT AUTHORIZATIONS OF THIS TITLE PRIOR
7 TO JANUARY 1, 1989 EXCEPT THOSE DISTRICTS AUTHORIZED PURSUANT
8 TO CHAPTER 4 AND ARTICLES 1, 2 AND 3 OF CHAPTER 6 OF THIS TITLE.

9 Section 2. Title 48, chapter 1, Arizona Revised Statutes, is amended by
10 adding article 12, to read:

11 ARTICLE 12. BOARD OF SUPERVISORS
12 DISCRETION IN AUTHORIZING DISTRICT FORMATION.
13 48-281. Special district formation; board of supervisors authorizing
14 authority

15 A. NOTWITHSTANDING ANY OTHER SPECIAL DISTRICT FORMATION
16 REQUIREMENT, LIMITATION OR OTHER PROVISION IN THIS TITLE, THE
17 BOARD OF SUPERVISORS SHALL HAVE AND RETAIN AT ANY POINT DURING
18 THE FORMATION PROCEDURE THE ABSOLUTE AUTHORITY TO APPROVE OR
19 DISAPPROVE THE FORMATION OF SUCH DISTRICT.

20 B. THIS SECTION DOES NOT APPLY TO CHAPTERS 4, 22 AND 23 OF
21 THIS TITLE.