Senate Engrossed House Bill

FILED
KEN BENNETT
SECRETARY OF STATE

State of Arizona
House of Representatives
Forty-ninth Legislature
Second Regular Session
2010

CHAPTER 116

HOUSE BILL 2006

AN ACT

AMENDING TITLE 48, CHAPTER 14, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 48-2001.01; RELATING TO SANITARY DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Title 48, chapter 14, article 1, Arizona Revised Statutes, is amended by adding section 48-2001.01, to read:

48-2001.01. Merger of sanitary districts; hearing; election; joint meeting; resolution

A. FOR ANY TWO OR MORE SANITARY DISTRICTS THAT ARE PROPOSED TO MERGE, THE COUNTY BOARD OF SUPERVISORS SHALL HOLD A HEARING ON THE PROPOSED MERGER IF EITHER OF THE FOLLOWING APPLIES:

1. THE COUNTY BOARD OF SUPERVISORS HAS RECEIVED A PETITION CONTAINING THE SIGNATURES OF AT LEAST TWENTY-FIVE PER CENT OF THE QUALIFIED ELECTORS IN EACH OF THE AFFECTED DISTRICTS AND PROPOSING THE MERGER OF THE SANITARY DISTRICTS. THE COUNTY BOARD OF SUPERVISORS SHALL VERIFY THE PETITIONS IN THE SAME MANNER PROVIDED IN SECTION 48-903 AND SHALL HOLD A PUBLIC HEARING ON THE MERGER AT A TIME AND PLACE DETERMINED BY THE COUNTY BOARD OF SUPERVISORS.

2. THE BOARD OF DIRECTORS OF EACH OF THE AFFECTED SANITARY DISTRICTS HAS ADOPTED BY A TWO-THIRDS VOTE A RESOLUTION REQUESTING THE MERGER OF THE DISTRICTS AND EACH HAS FILED THAT RESOLUTION WITH THE COUNTY BOARD OF SUPERVISORS. ON RECEIPT OF THE RESOLUTIONS, THE COUNTY BOARD OF SUPERVISORS SHALL HOLD A PUBLIC HEARING ON THE MERGER AT A TIME AND PLACE DETERMINED BY THE COUNTY BOARD OF SUPERVISORS.

B. THE PETITION OR RESOLUTIONS SHALL CONTAIN THE NAME AND A DESCRIPTION OF THE BOUNDARIES OF THE PROPOSED DISTRICT AND A DETAILED, ACCURATE MAP OF THE AREA TO BE INCLUDED IN THE DISTRICT AND SHALL SPECIFY THAT THE PROPOSED DISTRICT WILL BE ADMINISTERED BY A DISTRICT BOARD. NO NEW TERRITORY MAY BE INCLUDED AS A RESULT OF THE MERGER, BUT THE MERGED DISTRICT MAY THEREAFTER EXPAND AS PROVIDED IN THIS CHAPTER.

C. IF THE COUNTY BOARD OF SUPERVISORS DETERMINES AFTER A PUBLIC HEARING THAT THE PROPOSED MERGER WOULD SERVE THE PUBLIC CONVENIENCE, WELFARE OR NECESSITY, THE COUNTY BOARD OF SUPERVISORS SHALL CALL AN ELECTION FOR A VOTE OF THE PUBLIC ON THE QUESTION OF THE MERGER OF THE SANITARY DISTRICTS. THE BOARD OF SUPERVISORS SHALL NOT CALL AN ELECTION TO MERGE SANITARY DISTRICTS MORE FREQUENTLY THAN ONCE EVERY TWO YEARS. THE ORDER SHALL NOT BE ENTERED UNTIL THE PETITIONERS OR THE BOARDS OF DIRECTORS OF THE SANITARY DISTRICTS HAVE DEPOSITED WITH THE BOARD OF SUPERVISORS SUFFICIENT MONIES, NOT EXCEEDING ONE THOUSAND DOLLARS, TO DEFRAY THE EXPENSE OF THE ELECTION. THESE MONIES SHALL BE PAID OUT ON THE ORDER OF THE BOARD OF SUPERVISORS. IF THE SANITARY DISTRICTS ARE MERGED, THE DEPOSITORS OF THESE MONIES SHALL BE REIMBURSED FROM THE MERGED SANITARY DISTRICTS' MONIES. WHETHER OR NOT THE DISTRICTS ARE MERGED, THE SANITARY DISTRICTS SHALL REIMBURSE THE COUNTY FOR THE EXPENSES OF THE ELECTION.

D. IF THE PROPOSED DISTRICT IS LOCATED IN MORE THAN ONE COUNTY, THE PETITION OR RESOLUTIONS SHALL BE SUBMITTED TO THE BOARD OF SUPERVISORS OF THE COUNTY IN WHICH THE MAJORITY OF THE ASSESSED VALUATION OF THE PROPOSED MERGED DISTRICT IS LOCATED. THE BOARDS OF SUPERVISORS OF ANY OTHER COUNTIES IN

WHICH THE AFFECTED DISTRICTS ARE LOCATED SHALL PROVIDE INFORMATION AND ASSISTANCE TO THE RESPONSIBLE BOARD OF SUPERVISORS.

E. FOR ANY ELECTION CALLED PURSUANT TO THIS SECTION, THE WORDS APPEARING ON THE BALLOT SHALL BE "(INSERT SANITARY DISTRICTS' NAMES) MERGE AS A SANITARY DISTRICT-- YES" AND "(INSERT SANITARY DISTRICTS' NAMES) MERGE AS A SANITARY DISTRICT -- NO."

F. WITHIN FOURTEEN DAYS AFTER THE ELECTION, THE BOARD OF SUPERVISORS SHALL MEET AND CANVASS THE RETURNS, AND IF IT IS DETERMINED THAT A MAJORITY OF THE VOTES CAST AT THE ELECTION IN EACH OF THE AFFECTED DISTRICTS IS IN FAVOR OF MERGING THE SANITARY DISTRICTS, THE BOARD SHALL ENTER THAT FACT ON ITS MINUTES.

G. IF THE PROPOSAL FOR MERGER IS APPROVED AS PROVIDED IN SUBSECTION F OF THIS SECTION, THE GOVERNING BODY OF THE AFFECTED DISTRICT WITH THE LARGEST POPULATION SHALL CALL A JOINT MEETING OF THE GOVERNING BODIES OF THE AFFECTED DISTRICTS. AT THE JOINT MEETING, A MAJORITY OF THE MEMBERS OF THE GOVERNING BODY OF EACH AFFECTED DISTRICT CONSTITUTES A QUORUM FOR THE TRANSACTION OF BUSINESS. THE MEMBERS OF THE GOVERNING BODIES OF BOTH DISTRICTS SHALL APPOINT A TOTAL OF AT LEAST FIVE PERSONS FROM ALL OF THOSE CURRENTLY SERVING ON THE GOVERNING BODIES OF BOTH OF THE DISTRICTS, EACH OF WHOM SHALL COMPLETE THEIR REGULAR TERMS OF OFFICES, EXCEPT THAT NO MORE THAN A SIMPLE MAJORITY OF THE PERSONS APPOINTED MAY SERVE TERMS THAT END IN THE SAME YEAR. NO MORE THAN A SIMPLE MAJORITY MAY BE APPOINTED FROM THE SAME SANITARY DISTRICT BOARD, AND THE MAJORITY OF THE MERGED BOARD SHALL BE FILLED BY BOARD MEMBERS FROM THE DISTRICT THAT HAS THE GREATER NUMBER OF CUSTOMERS. THE APPOINTED BOARD SHALL IMMEDIATELY MEET AND ORGANIZE ITSELF AND ELECT FROM AMONG ITS MEMBERS A CHAIRPERSON. THE APPOINTED BOARD BY RESOLUTION SHALL DECLARE THE DISTRICTS MERGED AND EACH AFFECTED DISTRICT JOINED. THE RESOLUTION AND THE NAMES OF THE NEWLY ORGANIZED BOARD MEMBERS SHALL BE SENT TO THE COUNTY BOARD OF SUPERVISORS WITHIN THIRTY DAYS AFTER ORGANIZATION AND A CERTIFIED COPY OF THE RESOLUTION AND THE LEGAL DESCRIPTION OF THE MERGED DISTRICT SHALL BE RECORDED IN EACH COUNTY IN WHICH THE DISTRICT EXISTS AND SENT TO THE DIRECTOR OF THE ARIZONA STATE RETIREMENT SYSTEM, IF EITHER DISTRICT WAS AN ARIZONA STATE RETIREMENT SYSTEM EMPLOYER BEFORE THE MERGER. FROM THE DATE OF THE RECORDING OF THE RESOLUTION OF MERGER AND LEGAL DESCRIPTION OF THE DISTRICT BY THE APPOINTED BOARD, THE MERGER IS COMPLETE. THE MERGED DISTRICT SHALL ASSUME ANY DEBT OF EACH OF THE AFFECTED SANITARY DISTRICTS. SUBSEQUENT TERMS OF OFFICE FOR DISTRICT BOARD MEMBERS SHALL BE FILLED BY ELECTION OF BOARD MEMBERS WHO SHALL BE QUALIFIED ELECTORS FROM THE MERGED DISTRICT.

H. SECTION 48-262 DOES NOT APPLY TO A MERGER OF SANITARY DISTRICTS UNDER THIS SECTION.

APPROVED BY THE GOVERNOR APRIL 23, 2010.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 26, 2010.