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# ARIZONA TAX RESEARCH ASSOCIATION

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## **ATRA SUPPORTS SB1659** *Fire District Financial Transparency*

### **Background**

Fire district budgets: Fire districts are required to prepare an annual budget that contains detailed estimated expenditures for each fiscal year. Unlike the local governments of counties, community colleges, cities and towns, fire districts are not required to report their budgets on forms prescribed by the Auditor General. Consequently, this had led to a lack of detail and inconsistency among fire district budgets.

Fire districts are also required to post their annual budgets in a prominent location on the district's website within seven days of adoption and maintain the posting for 60 months. If a fire district doesn't have a website, the district *may* comply by having the budget posted on a website of an association of fire districts. Because this provision is permissive, there remain several districts that have not complied with the posting requirement.

Fire district audits: Fire districts that receive total revenues of \$500,000 or more must have audits performed on an annual basis. Districts whose total revenues are \$100,000 or more but less than \$500,000 must have a financial review performed annually and districts with total revenues more than \$50,000 and less than \$100,000 must have a financial review performed at least biennially. Districts with total revenues less than \$50,000 are required to have a financial review performed only upon the request of the county board of supervisors or upon the request of ten residents of the district. Currently, there is no requirement to post these audits to the fire districts websites.

### **Purpose for ATRA's Support**

SB1659 requires fire district budgets to itemize the estimated revenues and expenses for the preceding and current fiscal year on forms prescribed by the Auditor General. Expands the estimated amounts that must be reported in the budget, including amounts for personnel compensation, including employee-related expenses for retirement and health care costs, unanticipated contingencies and emergencies, any amounts to procure emergency medical services, etc.

SB1659 requires fire districts that do not have a website to post their budgets and audits on the website of a fire district association or to request that the county in which the fire district is located to post their budgets and audits in a prominent location on the county's website.

**ATRA ASKS LAWMAKERS TO SUPPORT SB1659!**