

State of Arizona
House of Representatives
Forty-seventh Legislature
First Regular Session
2005

CHAPTER 248

HOUSE BILL 2365

AN ACT

AMENDING TITLE 48, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 36; PROVIDING FOR CONDITIONAL DELAYED REPEAL OF TITLE 48, CHAPTER 36, ARIZONA REVISED STATUTES; RELATING TO THE THEME PARK AND SUPPORT FACILITY DISTRICT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 48, Arizona Revised Statutes, is amended by adding
3 chapter 36, to read:

4 CHAPTER 36

5 THEME PARK AND SUPPORT FACILITY DISTRICT

6 ARTICLE 1. ORGANIZATION AND ADMINISTRATION

7 48-6201. Definitions

8 IN THIS TITLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

9 1. "BOARD" MEANS THE BOARD OF DIRECTORS OF A DISTRICT.

10 2. "DISTRICT" MEANS A THEME PARK AND SUPPORT FACILITY DISTRICT
11 ESTABLISHED PURSUANT TO THIS CHAPTER.

12 3. "SITE HOST" MEANS A CITY, COUNTY OR INDIAN TRIBE, NATION, COMMUNITY
13 OR BAND.

14 4. "THEME PARK" MEANS ANY COMBINATION OF RECREATIONAL, ENTERTAINMENT,
15 AMUSEMENT AND CULTURAL VENUES AND PARKING FACILITIES WITH A CENTRAL ACCESS
16 DESIGNED AND BUILT AROUND A PARTICULAR TIME, PLACE, STORY OR SUBJECT,
17 INCLUDING CONSISTENT PRESENTATION OF ARCHITECTURE, COSTUMING, MERCHANDISE,
18 FOOD, GAMES, RIDES AND ATTRACTIONS.

19 5. "VEHICLE SUPPORT FACILITY" MEANS A NEW FRANCHISE MOTOR VEHICLE
20 DEALER PROVIDING SALES, RENTAL AND REPAIR SERVICES.

21 48-6202. Formation of district

22 A. THE GOVERNING BODIES OF A CITY WITH A POPULATION OF MORE THAN ONE
23 MILLION PERSONS AND A COUNTY WITH A POPULATION OF MORE THAN ONE HUNDRED
24 TWENTY-FIVE THOUSAND BUT LESS THAN ONE HUNDRED FIFTY THOUSAND PERSONS MAY
25 JOINTLY ESTABLISH A THEME PARK AND VEHICLE SUPPORT FACILITY DISTRICT AS
26 PROVIDED BY THIS CHAPTER. FOR THE PURPOSES OF THIS SUBSECTION, THE
27 POPULATION SHALL BE DETERMINED ACCORDING TO THE MOST RECENT POPULATION
28 ESTIMATE DATA PRODUCED BY THE DEPARTMENT OF ECONOMIC SECURITY AT THE TIME THE
29 DISTRICT IS ESTABLISHED. THE DISTRICT SHALL INCLUDE THEME PARK SITES IN BOTH
30 THE CITY AND THE COUNTY ESTABLISHING THE DISTRICT AND A VEHICLE SUPPORT
31 FACILITY SITE IN AT LEAST THE COUNTY ESTABLISHING THE DISTRICT. THE CITY AND
32 THE COUNTY SHALL JOINTLY ESTABLISH THE GEOGRAPHICAL BOUNDARIES OF THE
33 DISTRICT, WHICH SHALL INCLUDE ONLY THE SITES OF THE THEME PARKS AND VEHICLE
34 SUPPORT FACILITY.

35 B. THE DISTRICT IS A CORPORATE AND POLITICAL BODY AND, EXCEPT AS
36 OTHERWISE LIMITED, MODIFIED OR PROVIDED BY THIS CHAPTER, HAS ALL OF THE
37 RIGHTS, POWERS AND IMMUNITIES OF MUNICIPAL CORPORATIONS.

38 C. THE DISTRICT IS CONSIDERED TO BE A TAX LEVYING PUBLIC IMPROVEMENT
39 DISTRICT FOR THE PURPOSES OF ARTICLE XIII, SECTION 7, CONSTITUTION OF
40 ARIZONA.

41 D. THE DISTRICT IS REGARDED AS PERFORMING A GOVERNMENTAL FUNCTION IN
42 CARRYING OUT THE PURPOSES OF THIS CHAPTER. THE PROPERTY ACQUIRED OR
43 CONSTRUCTED BY THE DISTRICT, THE ACTIVITIES OF THE DISTRICT IN MAINTAINING
44 AND CARING FOR THE PROPERTY AND THE MONIES DERIVED BY THE DISTRICT FROM

1 OPERATING THE PROPERTY ARE EXEMPT FROM STATE AND LOCAL INCOME AND PROPERTY
2 TAXATION.

3 48-6203. Board of directors

4 A. THE DISTRICT IS GOVERNED BY A BOARD OF DIRECTORS CONSISTING OF THE
5 FOLLOWING MEMBERS:

6 1. THREE MEMBERS OF THE BOARD OF SUPERVISORS OF THE COUNTY
7 ESTABLISHING THE DISTRICT, ELECTED BY THE BOARD OF SUPERVISORS.

8 2. TWO MEMBERS OF THE GOVERNING BODY OF THE CITY ESTABLISHING THE
9 DISTRICT, ELECTED BY THE GOVERNING BODY.

10 B. MEMBERS OF THE BOARD OF DIRECTORS SERVE DURING THEIR TERMS OF
11 OFFICE ON THE GOVERNING BODY OF THE COUNTY OR CITY, UNLESS A SUCCESSOR IS
12 EARLIER ELECTED BY THE RESPECTIVE GOVERNING BODY TO REPLACE THE MEMBER FOR
13 ANY REASON.

14 C. MEMBERS ARE NOT ELIGIBLE FOR COMPENSATION FOR SERVICE ON THE BOARD
15 OF DIRECTORS.

16 48-6204. Administrative powers and duties

17 A. THE BOARD OF DIRECTORS, ON BEHALF OF THE DISTRICT, MAY:

18 1. ADOPT AND USE A CORPORATE SEAL.

19 2. SUE AND BE SUED.

20 3. ENTER INTO CONTRACTS, INCLUDING INTERGOVERNMENTAL AGREEMENTS UNDER
21 TITLE 11, CHAPTER 7, ARTICLE 3, AS NECESSARY TO CARRY OUT THE PURPOSES AND
22 REQUIREMENTS OF THIS CHAPTER.

23 4. ADOPT ADMINISTRATIVE RULES AS NECESSARY TO ADMINISTER AND OPERATE
24 THE DISTRICT AND ANY PROPERTY UNDER ITS JURISDICTION.

25 5. ACQUIRE BY ANY LAWFUL MEANS, EXCEPT THE POWER OF EMINENT DOMAIN,
26 AND OPERATE, MAINTAIN, ENCUMBER AND DISPOSE OF REAL AND PERSONAL PROPERTY AND
27 INTERESTS IN PROPERTY.

28 6. RETAIN LEGAL COUNSEL AND OTHER CONSULTANTS AS NECESSARY TO CARRY
29 OUT THE PURPOSES OF THE DISTRICT.

30 B. THE BOARD OF DIRECTORS SHALL:

31 1. APPOINT FROM AMONG ITS MEMBERS A CHAIRMAN, A SECRETARY AND SUCH
32 OTHER OFFICERS AS MAY BE NECESSARY TO CONDUCT ITS BUSINESS.

33 2. DESIGNATE A FISCAL AGENT TO DEPOSIT, HOLD, INVEST AND DISBURSE THE
34 DISTRICT'S MONIES.

35 3. PROVIDE FOR THE ACQUISITION, CONSTRUCTION, USE AND MAINTENANCE OF
36 THE PROPERTIES AND INTERESTS OWNED OR CONTROLLED BY THE DISTRICT.

37 4. KEEP AND MAINTAIN A COMPLETE AND ACCURATE RECORD OF ALL OF ITS
38 PROCEEDINGS. THE BOARD IS A PUBLIC BODY FOR PURPOSES OF TITLE 38, CHAPTER 3,
39 ARTICLE 3.1 AND TITLE 39, CHAPTER 1.

40 5. ENTER INTO INTERGOVERNMENTAL AGREEMENTS WITH THE COUNTY AND CITY,
41 PURSUANT TO TITLE 11, CHAPTER 7, ARTICLE 3, FOR ADMINISTRATIVE AND STAFF
42 SUPPORT AND MEETING ACCOMMODATIONS FOR ACCOMPLISHING THE PURPOSES OF THE
43 DISTRICT.

44 6. ENTER INTO CONTRACTS AND OTHER AGREEMENTS IN THE INTEREST OF THE
45 DISTRICT OR TO CARRY OUT AND ACCOMPLISH THE PURPOSES OF THIS CHAPTER.

1 INCLUDING CONSTRUCTION CONTRACTS AND AGREEMENTS WITH USERS OF THE THEME PARKS
2 AND VEHICLE SUPPORT FACILITIES.

3 7. CONTRACT FOR CONSULTING, LEGAL, ACCOUNTING AND OTHER OUTSIDE
4 PROFESSIONAL SERVICES, INCLUDING A PROFESSIONAL FACILITY MANAGEMENT COMPANY.

5 48-6205. Conflicts of interest

6 A. THE DIRECTORS OF THE DISTRICT ARE SUBJECT TO TITLE 38, CHAPTER 3,
7 ARTICLE 8, RELATING TO CONFLICTS OF INTEREST, INCLUDING THE PENALTIES
8 PRESCRIBED BY SECTION 38-510.

9 B. A MEMBER OF THE BOARD OF DIRECTORS SHALL NOT HAVE ANY DIRECT OR
10 INDIRECT FINANCIAL INTEREST IN ANY:

11 1. PROPERTY OWNED, PURCHASED OR CONSTRUCTED BY THE DISTRICT.

12 2. CONTRACT ENTERED INTO BY THE DISTRICT.

13 3. PRIVATE CORPORATION OR OTHER ENTITY WITH WHICH THE DISTRICT
14 CONTRACTS.

15 ARTICLE 2. OPERATIONS

16 48-6231. Constructing and maintaining theme parks and vehicle
17 support facilities; limitation on retail sales

18 A. THE DISTRICT MAY PROVIDE FOR THE CONSTRUCTION, FINANCING,
19 FURNISHING AND MAINTENANCE OF ONE OR MORE THEME PARKS AND VEHICLE SUPPORT
20 FACILITIES IN BOTH THE CITY AND THE COUNTY ESTABLISHING THE DISTRICT. THE
21 DISTRICT SHALL OWN ALL BUILDINGS AND OTHER IMPROVEMENTS IT CONSTRUCTS,
22 SUBJECT ONLY TO LIENS AND OTHER SECURITY INTERESTS OF RECORD. THE DISTRICT
23 MAY CONSTRUCT ITS FACILITIES ON REAL PROPERTY OWNED BY THE DISTRICT OR LEASED
24 BY THE DISTRICT FROM ONE OR MORE SITE HOSTS AS PROVIDED BY SECTION 48-6233.

25 B. NOT MORE THAN ONE-HALF OF THE BUSINESS CONDUCTED AT ANY THEME PARK
26 FACILITY MAY CONSIST OF RETAIL SALES OF TANGIBLE PERSONAL PROPERTY, MEASURED
27 EITHER BY THE NUMBER OF EMPLOYEES ASSIGNED TO RETAIL SALES OR THE SQUARE
28 FOOTAGE OF THE FACILITY USED FOR RETAIL SALES. FOR THE PURPOSES OF THIS
29 SUBSECTION, "RETAIL SALES" MEANS THE SALE OF TANGIBLE PERSONAL PROPERTY TO AN
30 ULTIMATE CONSUMER. RETAIL SALES DO NOT INCLUDE:

31 1. SALES OF FOOD AND BEVERAGE FOR CONSUMPTION ON THE PREMISES OF THE
32 THEME PARK FACILITY.

33 2. THE DISTRIBUTION WITHOUT CHARGE OF PROMOTIONAL PRODUCTS THAT
34 DISPLAY THE THEME PARK LOGO OR TRADEMARK.

35 3. SALES SOLELY TO EMPLOYEES OF THE THEME PARK.

36 C. TITLE 34 APPLIES TO THE DISTRICT, EXCEPT THAT NOTWITHSTANDING TITLE
37 41, CHAPTER 23, THE DISTRICT MAY USE ALTERNATIVE SYSTEMS AND PROCEDURES,
38 INCLUDING DESIGN-BUILD CONSTRUCTION AND QUALIFICATIONS-BASED SELECTION OF
39 CONTRACTORS, EITHER BY DIRECT SELECTION OR BY PUBLIC COMPETITION, TO EXPEDITE
40 THE DESIGN AND CONSTRUCTION OF ANY OF ITS FACILITIES OR STRUCTURES OR ANY
41 FACILITIES OR STRUCTURES LEASED TO IT OR USED BY IT PURSUANT TO AN
42 INTERGOVERNMENTAL AGREEMENT. FOR THE PURPOSES OF THIS SUBSECTION:

43 1. "DESIGN-BUILD" MEANS A PROCESS OF ENTERING INTO AND MANAGING A
44 CONTRACT BETWEEN THE DISTRICT AND ANOTHER PARTY IN WHICH THE OTHER PARTY

1 AGREES TO BOTH DESIGN AND BUILD ANY STRUCTURE, FACILITY OR OTHER ITEMS
2 SPECIFIED IN THE CONTRACT.

3 2. "QUALIFICATIONS-BASED SELECTION" MEANS A PROCESS OF ENTERING INTO
4 AND MANAGING A CONTRACT BETWEEN THE DISTRICT AND ANOTHER PARTY IN WHICH THE
5 OTHER PARTY IS SELECTED BY THE DISTRICT ON THE BASIS OF THE PARTY'S
6 QUALIFICATIONS AND EXPERIENCE IN DESIGNING OR CONSTRUCTING FACILITIES,
7 STRUCTURES OR OTHER ITEMS SIMILAR TO THOSE THE DISTRICT IS AUTHORIZED TO
8 CONSTRUCT OR LEASE.

9 48-6232. Operational duties of district

10 THE DISTRICT, THROUGH THE BOARD OF DIRECTORS, MAY:

11 1. APPROVE CONTRACTORS AND ARCHITECTS FOR THE CONSTRUCTION OF
12 FACILITIES, UNLESS AN ARCHITECT WILL BE EMPLOYED DIRECTLY BY A CONTRACTOR.

13 2. NEGOTIATE AGREEMENTS WITH THE CONTRACTOR AND ARCHITECT, UNLESS THE
14 ARCHITECT WILL BE EMPLOYED DIRECTLY BY THE CONTRACTOR.

15 3. WORK WITH THE USERS, CONTRACTORS AND ARCHITECTS TO PREPARE A THEMED
16 DESIGN FOR THE FACILITIES.

17 4. PREPARE CONSTRUCTION BUDGETS AND SCHEDULES.

18 5. PREPARE THE ANNUAL OPERATING BUDGET FOR THE DISTRICT PURSUANT TO
19 SECTION 48-6251.

20 6. NEGOTIATE USE AGREEMENTS WITH PARTIES THAT WILL OCCUPY AND USE THE
21 DISTRICT FACILITIES.

22 7. REVIEW CONSTRUCTION CHANGE ORDER REQUESTS.

23 8. ARRANGE FOR CAPITAL FINANCING, AS NEEDED.

24 9. IN CONSULTATION WITH THE USERS OF THE DISTRICT'S FACILITIES,
25 NEGOTIATE ONE OR MORE CONTRACTS FOR THE USE, MANAGEMENT, OPERATION AND
26 MAINTENANCE OF THE DISTRICT'S FACILITIES.

27 10. TAKE ANY OTHER ACTIONS THAT ARE NECESSARY TO ENSURE THAT THE
28 DISTRICT'S FACILITIES ARE CONSTRUCTED ACCORDING TO THE SCHEDULE AND BUDGET.

29 48-6233. Site host relations

30 A. THE DISTRICT MAY LOCATE ANY OF ITS FACILITIES ON REAL PROPERTY
31 LEASED FROM ONE OR MORE SITE HOSTS. THE DISTRICT MAY NEGOTIATE AGREEMENTS
32 WITH SITE HOSTS, INCLUDING INTERGOVERNMENTAL AGREEMENTS PURSUANT TO TITLE 11,
33 CHAPTER 7, ARTICLE 3 IF A SITE HOST IS A PUBLIC AGENCY AS DEFINED IN SECTION
34 11-951, CONCERNING THE REAL PROPERTY, INFRASTRUCTURE AND PARKING TO BE
35 PROVIDED BY THE SITE HOST. ALL AGREEMENTS MUST:

36 1. PROVIDE THAT THE SITE HOST SHALL INDEMNIFY AND HOLD THE DISTRICT
37 HARMLESS FROM ANY LIABILITY TO THE EXTENT RESULTING FROM THE NEGLIGENT OR
38 INTENTIONAL ACTS OR OMISSIONS OF THE SITE HOST, ITS REPRESENTATIVES AND
39 AGENTS OR EMPLOYEES RESULTING FROM ANY ACCESS WAYS PROVIDED BY THE SITE HOST
40 AND REASONABLY USED BY THE PUBLIC FOR INGRESS AND EGRESS TO THE LAND,
41 INFRASTRUCTURE AND PARKING FACILITIES PROVIDED BY THE SITE HOST FOR USE IN
42 CONNECTION WITH ANY THEME PARK OR VEHICLE SUPPORT FACILITY.

43 2. REQUIRE THE SITE HOST TO MAINTAIN INSURANCE OR AN ADEQUATE
44 SELF-INSURANCE PLAN FOR ANY LIABILITY OF THE SITE HOST, WITH A WAIVER OF
45 SOVEREIGN IMMUNITY IF NECESSARY.

1 B. BEFORE ENTERING INTO AN AGREEMENT WITH ANY SITE HOST, THE DISTRICT
2 SHALL REQUIRE ASSURANCE THAT THE SITE HOST HAS THE FINANCIAL CAPABILITY TO
3 PERFORM ITS OBLIGATIONS UNDER ANY AGREEMENT WITH THE DISTRICT.

4 C. IF A SITE HOST IS AN INDIAN TRIBE, NATION, BAND OR COMMUNITY:

5 1. THE SITE HOST MUST PROVIDE ASSURANCE TO THE DISTRICT THAT THE REAL
6 PROPERTY IS NOT AND WILL NOT BE MADE PART OF AN INDIAN RESERVATION UNDER THE
7 LAWS OF THE UNITED STATES DURING THE TERM OF THE LEASE AGREEMENT WITH THE
8 SITE HOST.

9 2. THE SITE HOST MUST PROVIDE ASSURANCE TO THE DISTRICT THAT THE SITE
10 HOST HAS LEGAL AUTHORITY TO LEASE THE REAL PROPERTY TO THE DISTRICT FOR USES
11 CONSISTENT WITH THE PURPOSES OF THIS CHAPTER FOR THE TERM OF THE LEASE
12 AGREEMENT WITH THE SITE HOST.

13 3. THE DISTRICT SHALL REQUIRE AS TERMS OF THE AGREEMENT BETWEEN THE
14 DISTRICT AND THE SITE HOST:

15 (a) A WAIVER OF SOVEREIGN IMMUNITY TO ALLOW THE DISTRICT TO ENFORCE
16 THE AGREEMENT.

17 (b) THE SITE HOST'S CONSENT TO THE JURISDICTION OF STATE AND FEDERAL
18 COURTS.

19 (c) A WAIVER OF THE RIGHT TO REQUIRE THE DISTRICT TO EXHAUST TRIBAL
20 REMEDIES BEFORE BRINGING AN ACTION IN STATE OR FEDERAL COURTS.

21 (d) THAT STATE AND FEDERAL LAW WILL GOVERN THE INTERPRETATION OF ANY
22 AGREEMENTS ENTERED INTO BETWEEN THE DISTRICT AND THE SITE HOST.

23 (e) THAT THE SITE HOST WILL NOT PREVENT, IMPAIR OR IMPEDE THE
24 IMPOSITION, COLLECTION AND ADMINISTRATION OF DISTRICT TAXES AS PROVIDED BY
25 SECTION 48-6253.

26 4. GAMBLING SHALL NOT BE ALLOWED IN THE DISTRICT PURSUANT TO ANY
27 TRIBAL-STATE GAMING COMPACT UNDER TITLE 5, CHAPTER 6. THE DISTRICT SHALL
28 REQUIRE, AS A TERM OF THE AGREEMENT BETWEEN THE DISTRICT AND THE SITE HOST,
29 THAT THE SITE HOST SHALL NOT OPERATE OR SUPPORT GAMBLING WITHIN FIFTY MILES
30 OF THE EXTERIOR BOUNDARIES OF THE DISTRICT PURSUANT TO ANY TRIBAL-STATE
31 GAMING COMPACT UNDER TITLE 5, CHAPTER 6.

32 48-6234. Regulating sale, use and consumption of alcoholic
33 beverages

34 SUBJECT TO THE REQUIREMENTS OF TITLE 4, THE BOARD MAY PERMIT OR
35 PROHIBIT THE SALE, USE AND CONSUMPTION OF ALCOHOLIC BEVERAGES ON PROPERTY
36 ACQUIRED, LEASED OR SUBLEASED UNDER THIS CHAPTER.

37 ARTICLE 3. FINANCIAL PROVISIONS

38 48-6251. Annual budget

39 A. ON OR BEFORE JUNE 30 OF EACH YEAR, THE BOARD SHALL HOLD A PUBLIC
40 HEARING TO ADOPT A BUDGET FOR THE FOLLOWING FISCAL YEAR THAT INCLUDES:

41 1. DISTRICT RECEIPTS DURING THE PRECEDING FISCAL YEAR.

42 2. EXPENDITURES DURING THE PRECEDING FISCAL YEAR.

43 3. ESTIMATES OF AMOUNTS NECESSARY FOR EXPENSES DURING THE FOLLOWING
44 FISCAL YEAR, INCLUDING AMOUNTS PROPOSED FOR:

1 (a) COSTS OF PLANNING, CONSTRUCTING, FINANCING AND MAINTAINING THE
2 DISTRICT'S FACILITIES.

3 (b) ADMINISTRATIVE COSTS OF THE DISTRICT.

4 4. ANTICIPATED REVENUE TO THE DISTRICT FROM EACH SOURCE IN THE
5 FOLLOWING FISCAL YEAR.

6 5. A COMPLETE ASSET AND LIABILITY STATEMENT.

7 6. A STATEMENT OF PROFIT OR LOSS.

8 7. CASH ON HAND AS OF THE DATE THE BUDGET IS ADOPTED AND THE
9 ANTICIPATED BALANCE AT THE END OF THE CURRENT FISCAL YEAR.

10 8. AN ITEMIZED STATEMENT OF COMMITMENTS, RESERVES AND ANTICIPATED
11 OBLIGATIONS FOR THE FOLLOWING FISCAL YEAR.

12 9. A DESCRIPTION OF THE AMOUNT AND NATURE OF PRIVATE FUNDING AND
13 FINANCING COMMITTED TO THEME PARK AND VEHICLE SUPPORT FACILITY PURPOSES AS
14 REQUIRED BY SECTION 48-6272, SUBSECTION C.

15 B. THE BOARD MAY AMEND THE BUDGET ON A FINDING OF GOOD CAUSE.

16 48-6252. General fund; investments

17 A. THE DISTRICT SHALL MAINTAIN A GENERAL FUND AND MAY ESTABLISH
18 ACCOUNTS AND SUBACCOUNTS WITHIN THE GENERAL FUND AS NECESSARY AND
19 CONVENIENT. ALL REVENUES AND MONIES RECEIVED BY THE DISTRICT SHALL BE
20 DEPOSITED IN THE GENERAL FUND.

21 B. THE DISTRICT MAY INVEST ANY UNEXPENDED MONIES IN THE FUND AS
22 PROVIDED IN TITLE 35, CHAPTER 2. INTEREST AND OTHER INCOME FROM INVESTMENTS
23 OF MONIES IN ANY ACCOUNT SHALL BE CREDITED TO THAT ACCOUNT EXCEPT AS
24 OTHERWISE PROVIDED BY LAW.

25 C. THE DISTRICT'S INVESTMENTS MUST MATURE WHEN THE FUND ASSETS WILL BE
26 REQUIRED FOR THE PURPOSES OF THIS CHAPTER. IF THE LIQUID ASSETS IN THE FUND
27 BECOME INSUFFICIENT TO MEET THE DISTRICT'S OBLIGATIONS, THE BOARD SHALL
28 DIRECT THE FISCAL AGENT TO LIQUIDATE SUFFICIENT SECURITIES TO MEET ALL OF THE
29 CURRENT OBLIGATIONS AND IMMEDIATELY NOTIFY THE AUDITOR GENERAL OF THE
30 INSUFFICIENCY. THE AUDITOR GENERAL SHALL INVESTIGATE AND AUDIT THE
31 CIRCUMSTANCES SURROUNDING THE DEPLETION OF THE FUND AND REPORT THE FINDINGS
32 TO THE BOARD.

33 48-6253. Transaction privilege tax; administration; expiration

34 A. THE DISTRICT SHALL LEVY A TRANSACTION PRIVILEGE TAX ON BUSINESS
35 ACTIVITY IN THE DISTRICT THAT IS SUBJECT TO TAXATION UNDER TITLE 42, CHAPTER
36 5. THE TAX SHALL BE LEVIED AT A RATE OF NINE PER CENT OF THE GROSS PROCEEDS
37 OF SALES OR GROSS INCOME DERIVED FROM THE BUSINESS, INCLUDING ADMISSION AND
38 USER FEES.

39 B. THE TAX IMPOSED PURSUANT TO THIS SECTION IS IN ADDITION TO
40 TRANSACTION PRIVILEGE AND USE TAXES IMPOSED BY THIS STATE PURSUANT TO TITLE
41 42, CHAPTER 5 AND ANY COUNTY, CITY, TOWN OR OTHER LOCAL TRANSACTION PRIVILEGE
42 TAX.

43 C. UNLESS THE CONTEXT OTHERWISE REQUIRES, SECTION 42-6102 GOVERNS THE
44 ADMINISTRATION OF THE TAX IMPOSED UNDER THIS SECTION.

1 D. EACH MONTH THE STATE TREASURER SHALL REMIT TO THE DISTRICT THE NET
2 REVENUES COLLECTED UNDER THIS SECTION DURING THE PRECEDING MONTH. THE
3 DISTRICT SHALL DEPOSIT THE MONIES IN THE DISTRICT'S GENERAL FUND.

4 E. THE TAX IMPOSED PURSUANT TO THIS SECTION EXPIRES WHEN ALL BONDS,
5 INTEREST AND OTHER CHARGES RELATED TO BONDS ISSUED UNDER ARTICLE 4 OF THIS
6 CHAPTER HAVE BEEN PAID. THE DISTRICT SHALL IMMEDIATELY NOTIFY THE DEPARTMENT
7 OF REVENUE WHEN THOSE EXPENSES HAVE BEEN SATISFIED. ANY AMOUNTS COLLECTED
8 AFTER PAYMENT OF THE BONDS, INTEREST AND RELATED CHARGES, AFTER AUDIT BY THE
9 AUDITOR GENERAL, SHALL BE RETAINED OR REMITTED BY THE STATE TREASURER AND
10 CREDITED TO THE STATE GENERAL FUND.

11 48-6254. Voluntary payments in lieu of property taxes

12 A. THE BOARD MAY PROVIDE FOR VOLUNTARY PAYMENTS OF MONEY TO TAXING
13 JURISDICTIONS IN WHICH DISTRICT PROPERTY IS LOCATED IN LIEU OF TAXES
14 OTHERWISE LEVIED BY THOSE JURISDICTIONS.

15 B. IF THE BOARD ELECTS TO MAKE DIRECT PAYMENTS UNDER THIS SECTION TO
16 ANY TAXING JURISDICTION IN ANY TAX YEAR:

17 1. ON OR BEFORE APRIL 1, THE BOARD SHALL NOTIFY THE COUNTY ASSESSOR OF
18 THE COUNTY IN WHICH THE PROPERTY IS LOCATED OF ITS ELECTION TO MAKE A PAYMENT
19 UNDER THIS SECTION.

20 2. THE BOARD SHALL PAY TO THE COUNTY TREASURER ONE-HALF OF THE AMOUNT
21 NOT LATER THAN THE FIRST MONDAY IN NOVEMBER AND THE OTHER ONE-HALF NOT LATER
22 THAN THE FIRST MONDAY IN MAY OF THE NEXT YEAR.

23 C. THE BOARD SHALL MAKE ANY DIRECT PAYMENTS UNDER THIS SECTION FROM
24 ANY UNRESTRICTED AND UNENCUMBERED MONIES IN THE GENERAL FUND. THE PAYMENTS
25 ARE CONSIDERED TO BE AN OPERATING EXPENSE OF THE DISTRICT.

26 48-6255. Audit

27 A. THE BOARD SHALL CAUSE AN ANNUAL AUDIT TO BE CONDUCTED OF THE
28 DISTRICT'S FUNDS, ACCOUNTS AND SUBACCOUNTS BY AN INDEPENDENT CERTIFIED PUBLIC
29 ACCOUNTANT WITHIN ONE HUNDRED TWENTY DAYS AFTER THE END OF THE FISCAL YEAR.

30 B. THE BOARD SHALL IMMEDIATELY FILE A CERTIFIED COPY OF THE AUDIT WITH
31 THE AUDITOR GENERAL. THE AUDITOR GENERAL MAY MAKE SUCH FURTHER AUDITS AND
32 EXAMINATIONS AS NECESSARY AND MAY TAKE APPROPRIATE ACTION RELATING TO THE
33 AUDIT OR EXAMINATION PURSUANT TO TITLE 41, CHAPTER 7, ARTICLE 10.1. IF THE
34 AUDITOR GENERAL TAKES NO FURTHER ACTION WITHIN THIRTY DAYS AFTER THE AUDIT IS
35 FILED, THE AUDIT IS CONSIDERED TO BE SUFFICIENT.

36 C. THE BOARD SHALL PAY NEGOTIATED AND APPROVED FEES AND COSTS OF THE
37 CERTIFIED PUBLIC ACCOUNTANT AND AUDITOR GENERAL UNDER THIS SECTION.

38 ARTICLE 4. REVENUE BONDS

39 48-6271. Definitions

40 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

41 1. "BOND RELATED EXPENSES" MEANS ANY EXPENSES INCURRED BY THE DISTRICT
42 TO ISSUE AND ADMINISTER ITS BONDS, INCLUDING UNDERWRITING FEES AND COSTS,
43 TRUSTEE FEES, FINANCIAL CONSULTANT FEES, PRINTING AND ADVERTISING COSTS,
44 PAYING AGENT FEES, TRANSFER AGENT FEES, LEGAL, ACCOUNTING, FEASIBILITY
45 CONSULTANT AND OTHER PROFESSIONAL FEES AND EXPENSES, CREDIT ENHANCEMENT FEES,

1 ATTORNEY AND ACCOUNTING FEES AND EXPENSES RELATED TO CREDIT ENHANCEMENT, BOND
2 INSURANCE OR LIQUIDITY ENHANCEMENT, REMARKETING FEES, RATING AGENCY FEES AND
3 COSTS, TRAVEL AND TELEPHONE EXPENSES AND ALL OTHER FEES CONSIDERED NECESSARY
4 BY THE DISTRICT IN ORDER TO MARKET AND ADMINISTER THE BONDS.

5 2. "BONDS" MEANS THE REVENUE BONDS OF THE DISTRICT ISSUED PURSUANT TO
6 THIS ARTICLE.

7 3. "THEME PARK AND VEHICLE SUPPORT FACILITY PURPOSE" INCLUDES THE
8 FOLLOWING PURPOSES:

9 (a) THE CAPITAL COSTS OF ACQUIRING, DESIGNING, DEVELOPING,
10 CONSTRUCTING, RECONSTRUCTING, EQUIPPING AND IMPROVING THEME PARK FACILITIES
11 AND VEHICLE SUPPORT FACILITIES AND DIRECTLY RELATED IMPROVEMENTS AND OF
12 ON-SITE AND OFF-SITE PUBLIC INFRASTRUCTURE.

13 (b) THE PAYMENT OF BOND OBLIGATIONS.

14 (c) BOND RELATED EXPENSES.

15 48-6272. Authorization of revenue bonds; conditional expiration

16 A. SUBJECT TO SUBSECTIONS D AND E OF THIS SECTION, THE DISTRICT MAY
17 ISSUE NEGOTIABLE INSURED REVENUE BONDS PURSUANT TO THIS ARTICLE IN A
18 PRINCIPAL AMOUNT THAT IS NECESSARY TO:

19 1. PROVIDE SUFFICIENT MONIES FOR THEME PARK AND VEHICLE SUPPORT
20 FACILITY PURPOSES. THE BOARD SHALL NOT SEGREGATE ANY THEME PARK OR VEHICLE
21 SUPPORT FACILITY PURPOSE FOR SEPARATE FINANCING, BUT SHALL INCLUDE ALL THEME
22 PARK AND VEHICLE SUPPORT FACILITY PURPOSES IN ALL AREAS OF THE DISTRICT IN
23 THE SAME ISSUE OF BONDS AT THE SAME TIME.

24 2. ESTABLISH AND FULLY OR PARTIALLY FUND ANY RESERVES OR SINKING
25 ACCOUNTS ESTABLISHED BY THE BOND RESOLUTION.

26 3. ISSUE REFUNDING BONDS IF THE BOARD CONSIDERS REFUNDING TO BE
27 EXPEDIENT. THE BOARD MAY PROVIDE FOR INVESTING AND HOLDING THE PROCEEDS OF
28 THE REFUNDING BONDS IN TRUST FOR THE BENEFIT OF THE HOLDERS OF THE BONDS
29 BEING REFUNDED.

30 4. REFUND ANY BONDS ISSUED BY THE DISTRICT IF THE BONDS ARE SECURED
31 FROM THE SAME SOURCE OF REVENUES AS THE BONDS AUTHORIZED IN THIS ARTICLE BY
32 ISSUING NEW BONDS, WHETHER THE BONDS TO BE REFUNDED HAVE OR HAVE NOT MATURED.

33 5. ISSUE BONDS PARTLY TO REFUND OUTSTANDING BONDS AND PARTLY FOR ANY
34 THEME PARK AND VEHICLE SUPPORT FACILITY PURPOSE CONSISTENT WITH THIS ARTICLE.

35 B. BONDS ISSUED PURSUANT TO THIS ARTICLE SHALL NOT EXCEED AN
36 OUTSTANDING PRINCIPAL AMOUNT OF ONE BILLION DOLLARS, EXCEPT FOR REFUNDING
37 BONDS AND OTHER BONDS ISSUED TO REFUND OUTSTANDING BONDS OF THE DISTRICT.

38 C. THE BOARD SHALL AUTHORIZE THE BONDS BY RESOLUTION. THE RESOLUTION
39 SHALL PRESCRIBE:

40 1. THE DISTRICT'S REVENUE SOURCES THAT ARE PLEDGED AND DEDICATED TO
41 SECURE THE BONDS.

42 2. THE RATE OR RATES OF INTEREST, WHICH MAY BE FIXED OR VARIABLE, THE
43 DATE OR DATES ON WHICH INTEREST IS PAYABLE AND THE DENOMINATIONS OF THE
44 BONDS.

1 3. THE DATE OR DATES OF THE BONDS AND MATURITY, WHICH SHALL BE WITHIN
2 THIRTY YEARS AFTER THE DATE OF ISSUANCE.

3 4. THE MANNER OF EXECUTING THE BONDS.

4 5. THE MEDIUM AND PLACE OF PAYMENT.

5 6. THE TERMS OF REDEMPTION, WHICH MAY PROVIDE FOR A PREMIUM FOR EARLY
6 REDEMPTION.

7 D. THE BOARD SHALL NOT ISSUE BONDS UNDER THIS ARTICLE UNLESS IT
8 RECEIVES IRREVOCABLE AND LEGALLY ENFORCEABLE FINANCIAL PARTICIPATION
9 COMMITMENTS FROM PRIVATE NONGOVERNMENTAL ENTITIES FOR THEME PARK AND VEHICLE
10 SUPPORT FACILITY PURPOSES IN AN AMOUNT EQUAL TO ONE-HALF OF THE PRINCIPAL
11 AMOUNT OF THE BOND ISSUE.

12 E. THE AUTHORITY OF THE BOARD OF DIRECTORS TO ISSUE BONDS UNDER THIS
13 ARTICLE EXPIRES IF THE BOARD FAILS TO ISSUE ANY BONDS ON OR BEFORE DECEMBER
14 31, 2008.

15 48-6273. Issuance and sale of bonds

16 A. THE BOARD SHALL ISSUE THE BONDS IN THE NUMBER AND AMOUNT PROVIDED
17 IN THE RESOLUTION. THE BOARD SHALL PROVIDE NOTICE OF ITS INTENTION TO ISSUE
18 BONDS IN A MANNER CONSISTENT WITH MARKET PRACTICE.

19 B. THE BONDS MAY BE SOLD BY COMPETITIVE PUBLIC SALE, THROUGH AN
20 ON-LINE BIDDING PROCESS OR AT NEGOTIATED SALE FOR PUBLIC OR PRIVATE OFFERING
21 AT THE PRICE AND ON THE TERMS PRESCRIBED IN THE RESOLUTION. FOR THE PURPOSES
22 OF THIS SUBSECTION, "ON-LINE BIDDING PROCESS" MEANS A PROCUREMENT PROCESS IN
23 WHICH THE BOARD RECEIVES BIDS ELECTRONICALLY OVER THE INTERNET IN A
24 REAL-TIME, COMPETITIVE BIDDING EVENT.

25 C. THE AMOUNT OF BOND RELATED EXPENSES PAID FROM NET PREMIUM
26 ASSOCIATED WITH A BOND ISSUE MAY NOT EXCEED TWO PER CENT OF THE PAR VALUE OF
27 THE BOND ISSUE. FOR THE PURPOSES OF THIS SUBSECTION, "NET PREMIUM" MEANS THE
28 DIFFERENCE BETWEEN THE PAR AMOUNT OF THE BOND ISSUE AND THE BOND ISSUE PRICE
29 DETERMINED PURSUANT TO UNITED STATES TREASURY REGULATIONS.

30 D. THE PROCEEDS FROM THE SALE OF THE BONDS SHALL BE DEPOSITED IN THE
31 BOND PROCEEDS ACCOUNT ESTABLISHED PURSUANT TO SECTION 48-6274.

32 E. TITLE 35, CHAPTER 3, ARTICLE 7 APPLIES TO THE BOARD AND TO BONDS
33 ISSUED UNDER THIS ARTICLE.

34 48-6274. Bond proceeds account

35 A. IF THE DISTRICT ISSUES BONDS UNDER THIS ARTICLE, THE BOARD SHALL
36 ESTABLISH A BOND PROCEEDS ACCOUNT WITHIN THE GENERAL FUND CONSISTING OF
37 MONIES RECEIVED FROM THE SALE OF THE BONDS.

38 B. THE DISTRICT MAY USE MONIES IN THE BOND PROCEEDS ACCOUNT ONLY FOR
39 THEME PARK AND VEHICLE SUPPORT FACILITY PURPOSES IN THE MANNER PRESCRIBED BY
40 THIS CHAPTER.

41 C. THE FISCAL AGENT OF THE DISTRICT SHALL ADMINISTER AND ACCOUNT FOR
42 THE BOND PROCEEDS ACCOUNT.

43 48-6275. Debt service account

44 A. IF THE DISTRICT ISSUES BONDS UNDER THIS ARTICLE, THE BOARD SHALL
45 ESTABLISH A DEBT SERVICE ACCOUNT WITHIN THE GENERAL FUND CONSISTING OF MONIES

1 DESIGNATED AND DEDICATED BY THE BOARD FOR REPAYMENT OF THE BONDS AND PAYMENT
2 OF COSTS AND RELATED EXPENSES ASSOCIATED WITH REDEEMING THE BONDS.

3 B. MONIES IN THE DEBT SERVICE ACCOUNT MAY BE USED ONLY FOR THE
4 PURPOSES AUTHORIZED BY THIS ARTICLE.

5 C. THE FISCAL AGENT OF THE DISTRICT SHALL ADMINISTER AND ACCOUNT FOR
6 THE DEBT SERVICE ACCOUNT.

7 48-6276. Securing principal and interest

8 IN CONNECTION WITH ISSUING BONDS AUTHORIZED BY THIS ARTICLE AND TO
9 SECURE THE PRINCIPAL AND INTEREST ON THE BONDS, THE BOARD BY RESOLUTION MAY:

10 1. PLEDGE FOR THE PAYMENT OF PRINCIPAL AND INTEREST ON THE BONDS ALL
11 OR PART OF THE REVENUES AND OTHER MONIES RECEIVED BY THE DISTRICT AND
12 DEPOSITED IN THE GENERAL FUND OR ANY ACCOUNT OR SUBACCOUNT OF THE DISTRICT.

13 2. PLEDGE AND ASSIGN TO OR IN TRUST FOR THE BENEFIT OF THE HOLDER OR
14 HOLDERS OF THE BONDS ALL OR PART OF THE MONIES IN THE DEBT SERVICE ACCOUNT OR
15 ANY OTHER ACCOUNT OR SUBACCOUNT AS NECESSARY TO SECURE AND PAY THE PRINCIPAL,
16 THE INTEREST AND ANY PREMIUM ON THE BONDS AS THEY COME DUE.

17 3. SEGREGATE THE DEBT SERVICE ACCOUNT INTO ONE OR MORE SUBACCOUNTS AND
18 PROVIDE THAT BONDS ISSUED UNDER THIS ARTICLE MAY BE SECURED BY A LIEN ON ALL
19 OR PART OF THE MONIES PAID INTO THE DEBT SERVICE ACCOUNT OR INTO ANY
20 SUBACCOUNT IN THE DEBT SERVICE ACCOUNT.

21 4. ESTABLISH PRIORITIES AMONG BONDHOLDERS BASED ON CRITERIA ADOPTED BY
22 THE BOARD.

23 5. SET ASIDE, REGULATE AND DISPOSE OF RESERVES AND SINKING ACCOUNTS.

24 6. PRESCRIBE THE PROCEDURE, IF ANY, BY WHICH THE TERMS OF ANY CONTRACT
25 WITH BONDHOLDERS MAY BE AMENDED OR ABROGATED, THE AMOUNT OF BONDS THE HOLDERS
26 OF WHICH MUST CONSENT TO AND THE MANNER IN WHICH THE CONSENT MAY BE GIVEN.

27 7. PROVIDE FOR PAYMENT OF BOND RELATED EXPENSES FROM THE PROCEEDS OF
28 THE SALE OF THE BONDS OR OTHER REVENUES AVAILABLE TO THE BOARD.

29 8. PROVIDE FOR THE SERVICES OF TRUSTEES, CO-TRUSTEES, AGENTS AND
30 CONSULTANTS AND OTHER SPECIALIZED SERVICES WITH RESPECT TO THE BONDS.

31 9. TAKE ANY OTHER ACTION THAT IN ANY WAY MAY AFFECT THE SECURITY AND
32 PROTECTION OF THE BONDS OR INTEREST ON THE BONDS.

33 48-6277. Lien of pledge

34 A. ANY PLEDGE MADE UNDER THIS ARTICLE IS VALID AND BINDING FROM THE
35 TIME WHEN THE PLEDGE IS MADE.

36 B. THE MONIES PLEDGED TO THE HOLDERS OF THE BONDS AND RECEIVED BY THE
37 DISTRICT FOR PLACEMENT IN THE DEBT SERVICE ACCOUNT ARE IMMEDIATELY SUBJECT TO
38 THE LIEN OF THE PLEDGE WITHOUT ANY FURTHER ACT. ANY LIEN OF ANY PLEDGE IS
39 VALID AND BINDING AGAINST ALL PARTIES WHO HAVE CLAIMS OF ANY KIND AGAINST THE
40 DISTRICT, REGARDLESS OF WHETHER THE PARTIES HAVE NOTICE OF THE LIEN. THE
41 OFFICIAL RESOLUTION OR ANY INSTRUMENT BY WHICH THIS PLEDGE IS CREATED, WHEN
42 ADOPTED BY THE BOARD, IS NOTICE TO ALL CONCERNED OF THE CREATION OF THE
43 PLEDGE, AND THOSE INSTRUMENTS NEED NOT BE RECORDED IN ANY OTHER PLACE TO
44 PERFECT THE PLEDGE.

1 48-6278. Bond purchase; cancellation

2 THE BOARD MAY PURCHASE BONDS FOR CANCELLATION, USING ANY AVAILABLE
3 MONIES, AT A PRICE NOT EXCEEDING THE FOLLOWING:

4 1. IF THE BONDS ARE REDEEMABLE AT THE TIME OF PURCHASE, THE APPLICABLE
5 REDEMPTION PRICE PLUS ACCRUED INTEREST TO THE NEXT INTEREST PAYMENT DATE.

6 2. IF THE BONDS ARE NOT REDEEMABLE AT THE TIME OF PURCHASE, THE
7 APPLICABLE REDEMPTION PRICE ON THE FIRST DATE AFTER PURCHASE ON WHICH THE
8 BONDS BECOME SUBJECT TO REDEMPTION PLUS ACCRUED INTEREST TO THAT DATE.

9 48-6279. Payment of bonds

10 A. THE BONDS SHALL BE PAID SOLELY FROM MONIES IN THE DEBT SERVICE
11 ACCOUNT.

12 B. THE MEMBERS OF THE BOARD AND ANY PERSONS WHO EXECUTE THE BONDS ARE
13 NOT PERSONALLY LIABLE FOR THE PAYMENT OF THE BONDS.

14 C. THE FISCAL AGENT OF THE DISTRICT SHALL CANCEL ALL BONDS WHEN PAID.

15 48-6280. Use of surplus monies

16 A. IF A BALANCE REMAINS IN THE BOND PROCEEDS ACCOUNT AFTER ALL
17 ACQUISITION, CONSTRUCTION AND RELATED COSTS HAVE BEEN PAID:

18 1. THE BOARD SHALL CREDIT THE BALANCE TO REPAY ANY OTHER OUTSTANDING
19 INDEBTEDNESS OF THE DISTRICT.

20 2. IF THE DISTRICT HAS NO OUTSTANDING INDEBTEDNESS, THE BOARD SHALL
21 CREDIT THE REMAINING BALANCE TO THE DISTRICT'S GENERAL FUND.

22 B. IF A BALANCE REMAINS IN THE DEBT SERVICE ACCOUNT AFTER PAYMENT OF
23 ALL BONDS, INTEREST AND OTHER CHARGES RELATED TO BONDS ISSUED UNDER THIS
24 ARTICLE, THE BOARD SHALL CREDIT THE BALANCE TO THE GENERAL FUND.

25 48-6281. Investment of monies in the bond proceeds account

26 A. THE BOARD MAY AUTHORIZE THE DISTRICT FISCAL AGENT TO INVEST MONIES
27 IN THE BOND PROCEEDS ACCOUNT IN THE MANNER PRESCRIBED BY SECTION 48-6283.

28 B. THE ORDER DIRECTING AN INVESTMENT SHALL STATE A DATE ON WHICH THE
29 PROCEEDS FROM THE SALE OF THE BONDS WILL BE NEEDED FOR USE, AND THE FISCAL
30 AGENT SHALL MAKE THE INVESTMENT IN SUCH A WAY AS TO MATURE ON OR BEFORE THE
31 SPECIFIED DATE.

32 C. ALL MONIES EARNED AS INTEREST OR OTHERWISE DERIVED FROM THE
33 INVESTMENT OF THE MONIES IN THE BOND PROCEEDS ACCOUNT SHALL BE CREDITED TO
34 THE DISTRICT'S GENERAL FUND.

35 48-6282. Investment of monies in debt service account

36 A. THE BOARD MAY AUTHORIZE THE DISTRICT FISCAL AGENT TO INVEST AND
37 REINVEST ANY MONIES IN THE DEBT SERVICE ACCOUNT AS PROVIDED BY SECTION
38 48-6283.

39 B. THE ORDER DIRECTING AN INVESTMENT SHALL STATE A DATE ON WHICH THE
40 MONIES AND OTHER RESOURCES IN THE DEBT SERVICE ACCOUNT WILL BE NEEDED FOR
41 USE, AND THE FISCAL AGENT SHALL MAKE THE INVESTMENT IN SUCH A WAY AS TO
42 MATURE ON OR BEFORE THE SPECIFIED DATE.

43 C. ALL MONIES EARNED AS INTEREST OR OTHERWISE DERIVED FROM THE
44 INVESTMENT OF THE MONIES IN THE DEBT SERVICE ACCOUNT SHALL BE CREDITED TO THE
45 DISTRICT'S GENERAL FUND.

1 C. BONDS ISSUED UNDER THIS ARTICLE:

2 1. ARE OBLIGATIONS OF THE DISTRICT AND ARE NOT GENERAL, SPECIAL OR
3 OTHER OBLIGATIONS OF THIS STATE OR OF THE COUNTY OR CITY ESTABLISHING THE
4 DISTRICT. THE MEMBERS OF THE BOARD AND PERSONS WHO EXECUTE THE BONDS ARE NOT
5 PERSONALLY LIABLE FOR PAYMENT OF THE BONDS.

6 2. ARE PAYABLE ONLY ACCORDING TO THEIR TERMS.

7 3. DO NOT CONSTITUTE A DEBT OF THIS STATE OR OF THE COUNTY OR CITY
8 ESTABLISHING THE DISTRICT.

9 4. ARE NOT ENFORCEABLE AGAINST THIS STATE AND PAYMENT OF THE BONDS IS
10 NOT ENFORCEABLE OUT OF ANY MONIES OTHER THAN THE REVENUE PLEDGED AND ASSIGNED
11 TO OR IN TRUST FOR THE BENEFIT OF THE HOLDER OR HOLDERS OF THE BONDS.

12 5. ARE SECURITIES IN WHICH PUBLIC OFFICERS AND BODIES OF THIS STATE
13 AND OF MUNICIPALITIES AND POLITICAL SUBDIVISIONS OF THIS STATE, ALL
14 COMPANIES, ASSOCIATIONS AND OTHER PERSONS CARRYING ON AN INSURANCE BUSINESS,
15 ALL FINANCIAL INSTITUTIONS, INVESTMENT COMPANIES AND OTHER PERSONS CARRYING
16 ON A BANKING BUSINESS, ALL FIDUCIARIES AND ALL OTHER PERSONS WHO ARE
17 AUTHORIZED TO INVEST IN GOVERNMENT OBLIGATIONS MAY PROPERLY AND LEGALLY
18 INVEST.

19 6. ARE SECURITIES THAT MAY BE DEPOSITED WITH PUBLIC OFFICERS OR BODIES
20 OF THIS STATE AND MUNICIPALITIES AND POLITICAL SUBDIVISIONS OF THIS STATE FOR
21 PURPOSES THAT REQUIRE THE DEPOSIT OF GOVERNMENT BONDS OR OBLIGATIONS.

22 48-6286. Effect of changing circumstances on bonds; agreement
23 of state

24 A. BONDS ISSUED UNDER THIS ARTICLE REMAIN VALID AND BINDING
25 OBLIGATIONS OF THE DISTRICT NOTWITHSTANDING THAT BEFORE THE DELIVERY OF THE
26 BONDS ANY PERSON WHOSE SIGNATURE APPEARS ON THE BONDS CEASES TO BE AN OFFICER
27 OF THE DISTRICT.

28 B. AN AMENDMENT OF ANY PROVISION IN THIS CHAPTER DOES NOT DIMINISH OR
29 IMPAIR THE VALIDITY OF BONDS ISSUED UNDER THIS ARTICLE OR THE REMEDIES AND
30 RIGHTS OF BONDHOLDERS.

31 C. THIS STATE PLEDGES TO AND AGREES WITH THE HOLDERS OF THE BONDS
32 AUTHORIZED BY THIS ARTICLE THAT THIS STATE WILL NOT LIMIT, ALTER OR IMPAIR
33 THE RIGHTS VESTED IN THE DISTRICT TO RECEIVE THE MONIES NECESSARY TO FULFILL
34 THE TERMS OF ANY AGREEMENTS MADE WITH THE HOLDERS OF THE BONDS, OR IN ANY WAY
35 IMPAIR THE RIGHTS AND REMEDIES OF THE BONDHOLDERS, UNTIL ALL BONDS ISSUED
36 UNDER THIS ARTICLE, TOGETHER WITH INTEREST ON THE BONDS, INTEREST ON ANY
37 UNPAID INSTALLMENTS OF PRINCIPAL OR INTEREST AND ALL COSTS AND EXPENSES IN
38 CONNECTION WITH ANY ACTION OR PROCEEDINGS BY OR ON BEHALF OF THE BONDHOLDERS,
39 ARE FULLY MET AND DISCHARGED. THE BOARD, AS AGENT FOR THIS STATE, MAY INCLUDE
40 THIS PLEDGE AND UNDERTAKING IN ITS RESOLUTIONS AND INDENTURES AUTHORIZING AND
41 SECURING ITS BONDS.

42 48-6287. Validity of bonds; legal opinion

43 A. THIS ARTICLE CONSTITUTES FULL AUTHORITY FOR AUTHORIZING AND ISSUING
44 BONDS WITHOUT REFERENCE TO ANY OTHER LAW OF THIS STATE. NO OTHER LAW WITH
45 REGARD TO AUTHORIZING OR ISSUING OBLIGATIONS OR THAT IN ANY WAY IMPEDES OR

1 RESTRICTS PERFORMING THE ACTS AUTHORIZED BY THIS ARTICLE MAY BE CONSTRUED TO
2 APPLY TO ANY PROCEEDINGS TAKEN OR ACTS DONE PURSUANT TO THIS ARTICLE.

3 B. THE VALIDITY OF BONDS ISSUED UNDER THIS ARTICLE DOES NOT DEPEND ON
4 AND IS NOT AFFECTED BY THE LEGALITY OF ANY PROCEEDING RELATING TO THE
5 ACQUISITION, CONSTRUCTION, IMPROVEMENT, OPERATION OR MAINTENANCE OF A
6 MULTIPURPOSE FACILITY FOR WHICH THE BONDS ARE ISSUED.

7 C. THE BOARD MAY SUBMIT ANY BONDS TO BE ISSUED UNDER THIS ARTICLE TO
8 LEGAL COUNSEL AFTER ALL PROCEEDINGS FOR AUTHORIZING THE BONDS HAVE BEEN
9 COMPLETED. ON SUBMISSION THE COUNSEL SHALL EXAMINE AND PASS ON THE VALIDITY
10 OF THE BONDS AND THE REGULARITY OF THE PROCEEDINGS. IF THE PROCEEDINGS
11 COMPLY WITH THIS ARTICLE, AND IF THE BONDS WHEN DELIVERED AND PAID FOR WILL
12 CONSTITUTE BINDING AND LEGAL OBLIGATIONS OF THE DISTRICT, THE COUNSEL SHALL
13 CERTIFY ON THE BACK OF EACH BOND, IN SUBSTANCE, THAT IT IS ISSUED ACCORDING
14 TO THE CONSTITUTION AND LAWS OF THIS STATE AND THAT THE INTEREST ON THE BONDS
15 WILL BE EXEMPT FROM STATE TAXES AS PROVIDED BY LAW.

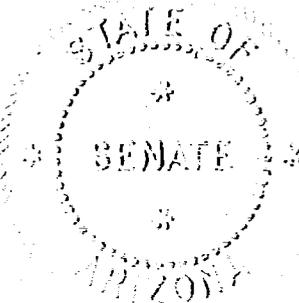
16 D. THE BONDS SHALL RECITE THAT THEY ARE REGULARLY ISSUED PURSUANT TO
17 THIS ARTICLE. THAT RECITAL, TOGETHER WITH THE LEGAL OPINION UNDER SUBSECTION
18 C, CONSTITUTES PRIMA FACIE EVIDENCE OF THE LEGALITY AND VALIDITY OF THE
19 BONDS. FROM AND AFTER THE SALE AND DELIVERY OF THE BONDS, THEY ARE
20 INCONTESTABLE BY THIS STATE OR THE DISTRICT.

21 Sec. 2. Conditional delayed repeal

22 Title 48, chapter 36, Arizona Revised Statutes, as added by this act,
23 is repealed from and after December 31, 2008 if the board of directors fails
24 to issue bonds pursuant to that article by that date.

APPROVED BY THE GOVERNOR MAY 4, 2005.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 4, 2005.



Passed the House February 14, 2005,

Passed the Senate April 20, 2005,

by the following vote: 60 Ayes,

by the following vote: 17 Ayes,

0 Nays, 0 Not Voting

11 Nays, 2 Not Voting

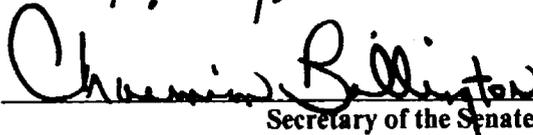


Speaker of the House



President of the Senate


Chief Clerk of the House


Secretary of the Senate

**EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR**

This Bill was received by the Governor this

_____ day of _____, 20__

at _____ o'clock _____ M.

Secretary to the Governor

Approved this _____ day of

_____, 20__

at _____ o'clock _____ M.

Governor of Arizona

**EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE**

This Bill was received by the Secretary of State

this _____ day of _____, 20__

at _____ o'clock _____ M.

Secretary of State

H.B. 2365

HOUSE CONCURS IN SENATE
AMENDMENTS AND FINAL PASSAGE

April 28, 2005,

by the following vote: 44 Ayes,

8 Nays, 8 Not Voting


Speaker of the House
Pro Tempore
Norman L. Moore
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this
28th day of April, 2005

at 3:00 o'clock P. M.

Wendee L. Ybarra
Secretary to the Governor

Approved this 4 day of

May, 2005,

at 2⁵⁰ o'clock P. M.

Jan Brewer
Governor of Arizona

H.B. 2365

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State
this 4 day of May, 2005,

at 4:19 o'clock P. M.

Janice K. Brewer
Secretary of State