

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

House Engrossed  
**FILED**  
**KEN BENNETT**  
**SECRETARY OF STATE**

CHAPTER 5

# **HOUSE BILL 2225**

AN ACT

PROVIDING FOR A SPECIAL AUDIT OF THE TOURISM AND SPORTS AUTHORITY ESTABLISHED BY TITLE 5, CHAPTER 8, ARIZONA REVISED STATUTES; RELATING TO THE AUDITOR GENERAL.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Special audit; tourism and sports authority; repeal

3 A. The auditor general shall conduct and complete a special audit, as  
4 defined in section 41-1278, Arizona Revised Statutes, of the tourism and  
5 sports authority that is established by title 5, chapter 8, Arizona Revised  
6 Statutes.

7 B. The audit shall review and evaluate:

8 1. All contracts entered into by the authority during calendar years  
9 2008 and 2009, including contracts with concessionaires and other providers  
10 of food, beverage and other services at the multipurpose facility constructed  
11 pursuant to section 5-807, Arizona Revised Statutes.

12 2. All contracts and final memoranda of understandings entered into by  
13 the authority to acquire land or construct, finance, furnish, improve, market  
14 or promote the use of existing or proposed major league baseball spring  
15 training facilities for the purpose of acquiring or retaining major league  
16 baseball spring training operations.

17 3. All contracts and final memoranda of understandings awarded by the  
18 authority to acquire land or construct, finance, furnish, maintain, improve,  
19 operate, market or promote the use of community youth and amateur sports  
20 facilities, recreational facilities and other community facilities or  
21 programs.

22 4. The management agreement with the authority's facility manager and  
23 any potential performance incentives the authority may offer for increased  
24 facility revenues and decreased facility expenses.

25 5. The procurement process used by the authority for soliciting bids  
26 from vendors and awarding contracts for acquiring materials, services,  
27 construction or construction services, including a description of  
28 requirements, selection and solicitation of sources, preparation and award of  
29 contracts and all phases of contract administration.

30 6. Contract monitoring activities conducted by the authority with  
31 respect to the facility manager's performance with respect to financial  
32 accountability, event settlements, preventative maintenance, box office  
33 services and other areas of performance.

34 7. The sources of monies to be used, or pledged for use, by the  
35 county, city or town to repay its debt obligation as presented in the  
36 authority's contract or final memorandum of understanding for major league  
37 baseball spring training facilities under section 5-808, Arizona Revised  
38 Statutes, and youth and amateur sports and recreational facilities under  
39 section 5-809, Arizona Revised Statutes.

40 8. The variance, if any, between construction and development costs  
41 contained in an authority contract or final memorandum of understanding and  
42 actual costs being repaid through bond obligations.

43 9. Policies and procedures that incorporate the criteria used for, and  
44 that expedite the process of, awarding financial assistance for the youth and  
45 amateur sports program.

1           10. The level of financial participation from each major league  
2 baseball team using spring training facilities constructed with financial  
3 participation by the authority pursuant to section 5-808, Arizona Revised  
4 Statutes.

5           11. A description of the financing assistance provided by the authority  
6 pursuant to section 5-808, Arizona Revised Statutes, with respect to each  
7 major league baseball spring training facility.

8           12. The adequacy of the authority's cash flow projections in accurately  
9 describing the authority's receipts and expenses.

10          13. The options available to the authority to increase revenues and  
11 decrease expenses to address its anticipated deficits and fund its reserve  
12 accounts.

13          14. The source and adequacy of debt service payments by the authority  
14 with respect to each facility financed with bonds issued by the authority.

15          15. The amount of any surplus or deficit in the overall debt capacity  
16 of the authority and in the current and projected capability of dedicated  
17 revenue sources to meet the authority's debt service requirements.

18          16. The legal recourse of holders of the authority's bonds in the event  
19 of the authority's default in making scheduled debt service payments.

20          17. The legal recourse of holders of bonds issued by the county, city  
21 or town in the event of default by the county, city or town in making  
22 scheduled debt service payments.

23          C. On or before December 31, 2010, the auditor general shall submit a  
24 copy of the special audit to the governor, the president of the senate, the  
25 speaker of the house of representatives and the secretary of state.

26          D. This section is repealed from and after December 31, 2010.

27          Sec. 2. Emergency

28          This act is an emergency measure that is necessary to preserve the  
29 public peace, health or safety and is operative immediately as provided by  
30 law.

APPROVED BY THE GOVERNOR APRIL 2, 2010.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 2, 2010.

Passed the House March 22, 2010

by the following vote: 58 Ayes,

0 Nays, 2 Not Voting  
*with emergency*

*[Signature]*  
Speaker of the House

*Cheryl Laube*  
Chief Clerk of the House

Passed the Senate March 25, 2010

by the following vote: 26 Ayes,

3 Nays, 1 Not Voting  
*with emergency*

*[Signature]*  
President of the Senate

*[Signature]*  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill received by the Governor this

29<sup>th</sup> day of March, 20 10

at 2:50 o'clock P. M.

*[Signature]*  
Secretary to the Governor

Approved this 2<sup>nd</sup> day of

April

at 4:25 o'clock P. M.

*[Signature]*  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 2<sup>nd</sup> day of April, 20 10

at 4:30 o'clock P. M.

*[Signature]*  
Secretary of State

H.B. 2225