

Senate Engrossed

FILED
KEN BENNETT
SECRETARY OF STATE

State of Arizona
Senate
Fifty-first Legislature
Second Regular Session
2014

CHAPTER 80

SENATE BILL 1351

AN ACT

AMENDING SECTIONS 48-4202, 48-4203 AND 48-4204, ARIZONA REVISED STATUTES;
RELATING TO STADIUM DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 48-4202, Arizona Revised Statutes, is amended to
3 read:

4 48-4202. Formation of district

5 A. The board of supervisors of each county having a population of more
6 than one million five hundred thousand persons ~~according to the most recent~~
7 ~~United States decennial census~~ or any county in which a major league baseball
8 organization has established or seeks to establish a spring training
9 operation may organize a countywide district to include both the incorporated
10 and unincorporated areas of the county, if the board determines that the
11 public convenience, necessity or welfare will be promoted by establishing the
12 district.

13 B. Two or more municipalities in the same county may organize a
14 district for multipurpose facilities if the governing bodies of the
15 municipalities determine that the public convenience, necessity or welfare
16 will be promoted by establishing the district. The district shall be
17 ~~comprised~~ COMPOSED of the areas within the corporate boundaries of the
18 municipalities. After formation, the boundaries of the district shall not be
19 altered. A district may be established under this subsection in the same
20 county in which a district is established under subsection A of this section.
21 A district formed pursuant to this subsection shall be deemed a county
22 stadium district for THE purposes of this chapter. Notwithstanding any other
23 law, a district may not be organized under this subsection from and after
24 October 31, 1999, except that a district may be organized under this
25 subsection after October 31, 1999 if before that date the governing body of
26 two or more of the municipalities identified the location of a multipurpose
27 facility site and has voted with the purpose of forming a district for
28 multipurpose facilities under this subsection.

29 C. The board of supervisors of any county in which a state supported
30 university is established may organize a single university athletic
31 facilities district if the board determines that the public convenience,
32 necessity or welfare will be promoted by establishing the district. The
33 district shall include only the area in the county within the contiguous
34 exterior boundaries of real property owned by the Arizona board of regents
35 and shall exclude any such real property subject to an existing ground lease
36 or subject to an existing agreement granting a third party the right or
37 option to a ground lease. After formation, the boundaries of the district
38 shall be altered only as the Arizona board of regents acquires and disposes
39 of real property. A district may be established under this subsection in the
40 same county in which a district is established under subsection A of this
41 section. A district formed pursuant to this subsection is deemed a county
42 stadium district for the purposes of this chapter.

43 D. The county board of supervisors shall be the board of directors of
44 a countywide district established under subsection A of this section.

1 E. The board of directors of a district established under subsection B
2 of this section shall consist of PERSONS WHO ARE RESIDENTS OF THE COUNTY IN
3 WHICH THE DISTRICT IS LOCATED, AT LEAST FOUR OF WHOM MUST RESIDE IN THE
4 MUNICIPALITY IN WHICH THE DISTRICT IS LOCATED AND WHO ARE APPOINTED AS
5 FOLLOWS:

6 1. Five members who are appointed by the governor, ~~at least three of~~
7 ~~whom must reside in the municipality in which the district is located and~~
8 each of whom must have experience in commercial real estate, construction,
9 redevelopment, real estate law, architecture, economic development or
10 commercial or public finance. The governor may receive nominations for
11 appointment from any interested organization or person. Members appointed by
12 the governor serve at the pleasure of the governor.

13 2. Two members who are appointed by the president of the senate, ~~at~~
14 ~~least one of whom must reside in the municipality in which the district is~~
15 ~~located.~~ The members appointed by the president serve at the pleasure of the
16 president.

17 3. Two members who are appointed by the speaker of the house of
18 representatives, ~~at least one of whom must reside in the municipality in~~
19 ~~which the district is located.~~ The members appointed by the speaker serve at
20 the pleasure of the speaker.

21 F. The board of directors of a district established under subsection C
22 of this section shall be established pursuant to an intergovernmental
23 agreement between the county and the Arizona board of regents.

24 G. The directors of any district are not eligible for compensation for
25 their services but are eligible for reimbursement for their necessary
26 expenses in attending to and traveling on district business.

27 H. The board of supervisors may pay the necessary costs incurred in
28 connection with establishing a countywide district from any county monies
29 available for that purpose. The municipalities may pay their proportionate
30 share of the necessary costs incurred in establishing a district formed by
31 two or more municipalities under subsection B of this section from any monies
32 available for that purpose. The Arizona board of regents may pay the
33 necessary costs incurred in connection with establishing a district under
34 subsection C of this section from any monies available for that purpose.

35 I. Subject to limitations imposed by this chapter, by
36 intergovernmental agreement and by the ordinance or resolution authorizing
37 the formation of the district, the district is a tax levying public
38 improvement district and a political taxing subdivision of this state and has
39 all the powers, privileges and immunities granted generally to municipal
40 corporations for the purposes of implementing this chapter, including eminent
41 domain, as provided by section 48-4203, subsection A, paragraph 7, and
42 immunity of its property, bonds and interest on and transfer of its bonds
43 from taxation.

1 Sec. 2. Section 48-4203, Arizona Revised Statutes, is amended to read:
2 48-4203. Powers and duties of board of directors; report;
3 conflict of interest
4 A. The board of directors, on behalf of the district, may:
5 1. Adopt and use a corporate seal.
6 2. Sue and be sued.
7 3. Enter into contracts, including intergovernmental agreements under
8 title 11, chapter 7, article 3, as necessary to carry out the purposes and
9 requirements of this chapter. The district may contract with a county sports
10 authority established under title 11, chapter 5 to carry out any power of the
11 district.
12 4. Adopt administrative rules as necessary to administer and operate
13 the district and any property under its jurisdiction.
14 5. Adopt rules that allow weighted voting by board members and
15 establish conditions for terminating the district.
16 6. Employ an executive director and administrative and clerical
17 employees, or contract for other management personnel, and prescribe the
18 terms and conditions of their employment as necessary to carry out the
19 purposes of the district.
20 7. Acquire by any lawful means and operate, maintain, encumber and
21 dispose of real and personal property and interests in property. A district
22 established under section 48-4202, subsection A may acquire real property by
23 eminent domain. A district established under section 48-4202, subsection B
24 shall not acquire real property by eminent domain. A district established
25 under section 48-4202, subsection C shall not acquire or own real property or
26 interests in real property.
27 8. Administer trusts declared or established for the district, receive
28 and hold in trust or otherwise property located in or out of this state and,
29 if not otherwise provided, dispose of the property for the benefit of the
30 district.
31 9. Retain legal counsel and other consultants as necessary to carry
32 out the purposes of the district.
33 B. The board of directors, on behalf of a district established
34 pursuant to section 48-4202, subsection B, may:
35 1. Use revenues paid to the district pursuant to section 42-5031 and
36 other revenues the district may receive from other sources, for the purposes
37 set forth in section 48-4204, subsection B.
38 2. Enter into agreements with developers, contractors, tenants and
39 other users of all or part of a multipurpose facility as determined
40 appropriate.
41 3. Pledge all or part of the revenues described in section 42-5031,
42 subsection B to secure the district's bonds or other financial obligations
43 issued or incurred under this chapter for the construction of all or part of
44 a multipurpose facility.

1 C. The board of directors of a district established pursuant to
2 section 48-4202, subsection B shall provide public outreach and education on
3 the purpose and activities of the district, including:

4 1. Presentations to the governing bodies of the municipalities in the
5 county in which the district is located.

6 2. Presentations to community, civic and business organizations.

7 3. Printed or electronic materials that support the purposes of this
8 subsection.

9 D. The board of directors shall:

10 1. Appoint from among its members a chairman, a secretary and such
11 other officers as may be necessary to conduct its business. The board of
12 directors may appoint the chief financial officer of the county as the
13 district treasurer of a countywide district established under section
14 48-4202, subsection A. If the board does not appoint the chief financial
15 officer, the county treasurer is designated ex officio as the treasurer. The
16 board of directors of a district that is established pursuant to section
17 48-4202, subsection B shall designate a member of the board with financial
18 management or accounting experience or a person with whom the board has
19 contracted for financial management as treasurer of the district. The county
20 treasurer is designated ex officio as the treasurer of a district that is
21 established pursuant to section 48-4202, subsection C.

22 2. Keep and maintain a complete and accurate record of all its
23 proceedings. All proceedings and records of the board shall be open to the
24 public as required by title 38, chapter 3, article 3.1 and title 39,
25 chapter 1.

26 3. Provide for the use, maintenance and operation of the properties
27 and interests controlled by the district.

28 E. The board of directors of a district that is established pursuant
29 to section 48-4202, subsection B shall:

30 1. Determine by agreement the distribution of revenues from operating
31 and using the multipurpose facilities among the municipalities and any
32 participating Indian tribe or community.

33 2. REPORT TO THE LEGISLATURE BY OCTOBER 1 OF EACH YEAR REGARDING THE
34 ACTIVITIES, OPERATIONS, REVENUES AND EXPENDITURES OF THE DISTRICT FOR THE
35 IMMEDIATELY PRECEDING FISCAL YEAR. THE BOARD SHALL SUBMIT THE ANNUAL REPORT
36 TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF
37 REPRESENTATIVES AND PROVIDE A COPY OF THE REPORT TO THE SECRETARY OF STATE.
38 AT THE DISCRETION OF THE CHAIRPERSONS OF THE SENATE FINANCE COMMITTEE AND THE
39 HOUSE OF REPRESENTATIVES WAYS AND MEANS COMMITTEE, OR THEIR SUCCESSOR
40 COMMITTEES, THE COMMITTEES MAY HOLD SEPARATE OR JOINT HEARINGS TO CONSIDER
41 THE ANNUAL REPORT PREPARED BY THE DISTRICT.

42 F. The directors, officers and employees of the district are subject
43 to title 38, chapter 3, article 8 relating to conflicts of interest.

44 G. This state and political subdivisions of this state other than the
45 district are not liable for any financial or other obligations of the

1 district and the financial or other obligations do not constitute a debt or
2 liability of this state or any political subdivision of this state, other
3 than the district.

4 Sec. 3. Section 48-4204, Arizona Revised Statutes, is amended to read:
5 48-4204. Constructing and operating a stadium and other
6 structures; regulating alcoholic beverages

7 A. From the taxes and surcharges levied pursuant to article 2 of this
8 chapter for use with respect to major league baseball spring training, the
9 district may acquire land and construct, finance, furnish, maintain, improve,
10 operate, market and promote the use of existing or proposed major league
11 baseball spring training facilities or stadiums and other structures,
12 utilities, roads, parking areas or buildings necessary for full use of the
13 training facilities or stadiums for sports and other purposes and do all
14 things necessary or convenient to accomplish those purposes. The board shall
15 require that any project undertaken by the district include financial
16 participation from the county or municipality in which the project is
17 located, from a private party or from any combination of these entities which
18 equals or exceeds one-half of the amount to be expended or distributed by the
19 district. Capital improvement funds expended at any time after June 1, 1991
20 by a county, municipality or private party for a purpose authorized by this
21 section may be deemed financial participation with respect to any project the
22 district may undertake.

23 B. From the taxes and charges levied or identified pursuant to section
24 48-4237 for use with respect to multipurpose facilities and from other monies
25 lawfully available to the district, the district may acquire land and
26 construct, finance, furnish, maintain, improve, operate, market and promote
27 the use of multipurpose facilities and other structures, utilities, roads,
28 parking areas or buildings necessary for full use of the multipurpose
29 facilities and do all things necessary or convenient to accomplish those
30 purposes. Public funds identified in section 48-4237, including funds
31 distributed pursuant to section 42-5031, may only be used for the components
32 for a multipurpose facility ~~which~~ THAT are owned by the district or ~~which~~
33 THAT are publicly owned, ~~except that monies paid to the district pursuant to~~
34 ~~section 42-5031 may only be used for the following purposes until a notice to~~
35 ~~proceed is issued for a hotel and convention center located on the~~
36 ~~multipurpose facility site~~ OR FOR THE FOLLOWING PURPOSES:

- 37 1. Debt service for bonds issued by the district before January 1,
38 2009.
- 39 2. Contractual obligations incurred by the district before June 1,
40 2009.
- 41 3. Fiduciary, reasonable legal and administrative expenses of the
42 district.
- 43 4. The design and construction of the hotel and convention center
44 located on the multipurpose facility site.

45

1 C. FOR THE PUBLIC FUNDS IDENTIFIED IN SECTION 48-4237, INCLUDING FUNDS
2 DISTRIBUTED PURSUANT TO SECTION 42-5031, AND FROM WHICH THE DISTRICT BOARD
3 HAS PLANNED AN EXPENDITURE OF FIVE HUNDRED THOUSAND DOLLARS OR MORE, THE
4 FOLLOWING APPLY:

5 1. EACH DISTRICT BOARD MEMBER SHALL PROVIDE ADVANCE NOTICE OF THE
6 CONSIDERATION OF THE EXPENDITURE BY THE BOARD TO THE PERSON WHO HOLDS THE
7 OFFICE THAT IS RESPONSIBLE FOR THAT BOARD MEMBER'S APPOINTMENT.

8 2. THE NOTICE PRESCRIBED IN PARAGRAPH 1 OF THIS SUBSECTION MUST BE
9 PROVIDED BY REGULAR MAIL DELIVERED TO THE OFFICE THAT IS RESPONSIBLE FOR THAT
10 BOARD MEMBER'S APPOINTMENT AND MAY BE PRECEDED BY ANY OTHER FORM OF NOTICE.
11 THE NOTICE MUST BE PROVIDED AT LEAST TWO WEEKS BEFORE THE DATE OF THE MEETING
12 AND MUST BE POSTED TO THE DISTRICT'S WEBSITE ON THE DAY THE NOTICE IS MAILED.

13 3. THE NOTICE PRESCRIBED IN PARAGRAPH 1 OF THIS SUBSECTION MUST BE
14 ACCOMPANIED BY THE BOARD MEMBER'S WRITTEN STATEMENT AS TO WHETHER THE BOARD
15 MEMBER HAS ANY FINANCIAL INTEREST IN THE SUBJECT OF THE PROPOSED EXPENDITURE
16 BY THE BOARD. THE BOARD MEMBERS' WRITTEN STATEMENTS MAY BE PROVIDED IN A
17 SINGLE DOCUMENT THAT IS PREPARED BY THE BOARD'S ADMINISTRATIVE PERSONNEL BUT
18 MUST BE SIGNED BY THE BOARD MEMBERS AND MUST BE POSTED TO THE DISTRICT'S
19 WEBSITE WITH THE NOTICE PRESCRIBED IN PARAGRAPH 1 OF THIS SUBSECTION.

20 4. THE DISTRICT BOARD MAY NOT ARTIFICIALLY DIVIDE OR FRAGMENT PLANNED
21 EXPENDITURES SO AS TO CIRCUMVENT THE REQUIREMENTS OF THIS SUBSECTION.

22 ~~E.~~ D. A district established pursuant to section 48-4202, subsection
23 B may not use monies distributed pursuant to section 42-5031 for the salaries
24 or compensation of any employee of the municipality in which the district is
25 located.

26 ~~D.~~ E. Pursuant to AN intergovernmental agreement with the Arizona
27 board of regents, from the revenues collected from assessments pursuant to
28 section 48-4235 for use with respect to Arizona board of regents owned
29 intercollegiate athletic facilities, the district may construct, reconstruct,
30 finance, furnish, maintain and improve existing intercollegiate athletic
31 facilities located on Arizona board of regents' property, including
32 utilities, roads, parking areas or buildings necessary for full use of the
33 athletic facilities.

34 ~~E.~~ F. Title 34 applies to the district, except that regardless of the
35 funding source for design and construction of facilities and structures the
36 district may establish alternative systems and procedures, including the use
37 of the design-build method of construction or the use of qualifications-based
38 selection of contractors with experience in stadium design or construction,
39 to expedite the design and construction or reconstruction of any of its
40 facilities or structures or any facilities or structures leased to it or used
41 by it pursuant to an intergovernmental agreement. For the purposes of this
42 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 a structure, a 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. The other party may be selected by direct selection or
9 by public competition.

10 ~~F.~~ G. For the purposes of financing, designing, constructing,
11 reconstructing or operating facilities or structures, the district is not the
12 agent of any municipality, this state or any agency or instrumentality of
13 this state participating in the funding of such facilities or structures.

14 ~~G.~~ H. Subject to the requirements of title 4, the board of directors
15 may permit and regulate the sale, use and consumption of alcoholic beverages
16 at events held on property acquired, leased or subleased under this article.

17 Sec. 4. Applicability; residency of appointments to board of
18 directors

19 Section 48-4202, subsection E, Arizona Revised Statutes, as amended by
20 this act, applies to persons who are appointed to the board of directors
21 after the effective date of this act and does not apply to persons holding
22 office on the board of directors on or before the effective date of this act.

APPROVED BY THE GOVERNOR APRIL 17, 2014.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 18, 2014.

Passed the House April 16, 2014,

by the following vote: 59 Ayes,

0 Nays, 1 Not Voting

[Signature]
Speaker of the House

[Signature]
Chief Clerk of the House

Passed the Senate March 10, 2014,

by the following vote: 25 Ayes,

0 Nays, 5 Not Voting

[Signature]
President of the Senate

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

16th day of April, 2014,

at 4:15 o'clock P M.

[Signature]
Secretary to the Governor

Approved this 17th day of

April, 2014,

at 10:28 o'clock A. M.

[Signature]
Governor of Arizona

S.B. 1351

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 18th day of April, 2014,

at 8:10 o'clock a M.

[Signature]
Secretary of State