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

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

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

48-4202. Formation of district
A. The board of supervisors of each county having a population of more than one million five hundred thousand persons according to the most recent United States decennial census or any county in which a major league baseball organization has established or seeks to establish a spring training operation may organize a countywide district to include both the incorporated and unincorporated areas of the county, if the board determines that the public convenience, necessity or welfare will be promoted by establishing the district.

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

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

D. The county board of supervisors shall be the board of directors of a countywide district established under subsection A of this section.
E. The board of directors of a district established under subsection B of this section shall consist of PERSONS WHO ARE RESIDENTS OF THE COUNTY IN WHICH THE DISTRICT IS LOCATED, AT LEAST FOUR OF WHOM MUST RESIDE IN THE MUNICIPALITY IN WHICH THE DISTRICT IS LOCATED AND WHO ARE APPOINTED AS FOLLOWS:

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

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

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

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

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

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

I. Subject to limitations imposed by this chapter, by intergovernmental agreement and by the ordinance or resolution authorizing the formation of the district, the district is a tax levying public improvement district and a political taxing subdivision of this state and has all the powers, privileges and immunities granted generally to municipal corporations for the purposes of implementing this chapter, including eminent domain, as provided by section 48-4203, subsection A, paragraph 7, and immunity of its property, bonds and interest on and transfer of its bonds from taxation.
Sec. 2. Section 48-4203, Arizona Revised Statutes, is amended to read:

48-4203. Powers and duties of board of directors; report;
conflict of interest

A. The board of directors, on behalf of the district, may:
1. Adopt and use a corporate seal.
2. Sue and be sued.
3. Enter into contracts, including intergovernmental agreements under
title 11, chapter 7, article 3, as necessary to carry out the purposes and
requirements of this chapter. The district may contract with a county sports
authority established under title 11, chapter 5 to carry out any power of the
district.
4. Adopt administrative rules as necessary to administer and operate
the district and any property under its jurisdiction.
5. Adopt rules that allow weighted voting by board members and
establish conditions for terminating the district.
6. Employ an executive director and administrative and clerical
employees, or contract for other management personnel, and prescribe the
terms and conditions of their employment as necessary to carry out the
purposes of the district.
7. Acquire by any lawful means and operate, maintain, encumber and
dispose of real and personal property and interests in property. A district
established under section 48-4202, subsection A may acquire real property by
eminent domain. A district established under section 48-4202, subsection B
shall not acquire real property by eminent domain. A district established
under section 48-4202, subsection C shall not acquire or own real property or
interests in real property.
8. Administer trusts declared or established for the district, receive
and hold in trust or otherwise property located in or out of this state and,
if not otherwise provided, dispose of the property for the benefit of the
district.
9. Retain legal counsel and other consultants as necessary to carry
out the purposes of the district.
B. The board of directors, on behalf of a district established
pursuant to section 48-4202, subsection B, may:
1. Use revenues paid to the district pursuant to section 42-5031 and
other revenues the district may receive from other sources, for the purposes
set forth in section 48-4204, subsection B.
2. Enter into agreements with developers, contractors, tenants and
other users of all or part of a multipurpose facility as determined
appropriate.
3. Pledge all or part of the revenues described in section 42-5031,
subsection B to secure the district's bonds or other financial obligations
issued or incurred under this chapter for the construction of all or part of
a multipurpose facility.
C. The board of directors of a district established pursuant to section 48-4202, subsection B shall provide public outreach and education on the purpose and activities of the district, including:
1. Presentations to the governing bodies of the municipalities in the county in which the district is located.
2. Presentations to community, civic and business organizations.
3. Printed or electronic materials that support the purposes of this subsection.

D. The board of directors shall:
1. Appoint from among its members a chairman, a secretary and such other officers as may be necessary to conduct its business. The board of directors may appoint the chief financial officer of the county as the district treasurer of a countywide district established under section 48-4202, subsection A. If the board does not appoint the chief financial officer, the county treasurer is designated ex officio as the treasurer. The board of directors of a district that is established pursuant to section 48-4202, subsection B shall designate a member of the board with financial management or accounting experience or a person with whom the board has contracted for financial management as treasurer of the district. The county treasurer is designated ex officio as the treasurer of a district that is established pursuant to section 48-4202, subsection C.
2. Keep and maintain a complete and accurate record of all its proceedings. All proceedings and records of the board shall be open to the public as required by title 38, chapter 3, article 3.1 and title 39, chapter 1.
3. Provide for the use, maintenance and operation of the properties and interests controlled by the district.

E. The board of directors of a district that is established pursuant to section 48-4202, subsection B shall:
1. Determine by agreement the distribution of revenues from operating and using the multipurpose facilities among the municipalities and any participating Indian tribe or community.

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

G. This state and political subdivisions of this state other than the district are not liable for any financial or other obligations of the
district and the financial or other obligations do not constitute a debt or
liability of this state or any political subdivision of this state, other
than the district.

Sec. 3. Section 48-4204, Arizona Revised Statutes, is amended to read:

48-4204. Constructing and operating a stadium and other
structures; regulating alcoholic beverages

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

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

1. Debt service for bonds issued by the district before January 1,
   2009.

2. Contractual obligations incurred by the district before June 1,
   2009.

3. Fiduciary, reasonable legal and administrative expenses of the
district.

4. The design and construction of the hotel and convention center
   located on the multipurpose facility site.
C. FOR THE PUBLIC FUNDS IDENTIFIED IN SECTION 48-4237, INCLUDING FUNDS DISTRIBUTED PURSUANT TO SECTION 42-5031, AND FROM WHICH THE DISTRICT BOARD HAS PLANNED AN EXPENDITURE OF FIVE HUNDRED THOUSAND DOLLARS OR MORE, THE FOLLOWING APPLY:

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

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

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

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

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

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

F. Title 34 applies to the district, except that regardless of the funding source for design and construction of facilities and structures the district may establish alternative systems and procedures, including the use of the design-build method of construction or the use of qualifications-based selection of contractors with experience in stadium design or construction, to expedite the design and construction or reconstruction of any of its facilities or structures or any facilities or structures leased to it or used by it pursuant to an intergovernmental agreement. For the purposes of this subsection:

1. "Design-build" means a process of entering into and managing a contract between the district and another party in which the other party
agrees to both design and build a structure, a facility or other items specified in the contract.

2. "Qualifications-based selection" means a process of entering into and managing a contract between the district and another party in which the other party is selected by the district on the basis of the party's qualifications and experience in designing or constructing facilities, structures or other items similar to those the district is authorized to construct or lease. The other party may be selected by direct selection or by public competition.

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

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

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

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