

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

# HOUSE BILL 2676

AN ACT

AMENDING SECTIONS 48-4201, 48-4202, 48-4203 AND 48-4204, ARIZONA REVISED STATUTES; AMENDING TITLE 48, CHAPTER 26, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 48-4235; RELATING TO UNIVERSITY ATHLETIC FACILITIES DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Section 48-4201, Arizona Revised Statutes, is amended to  
3 read:  
4 48-4201. Definitions  
5 In this chapter, unless the context otherwise requires:  
6 1. "Board" means the board of directors of any district established  
7 under section 48-4202, subsection A, ~~OR~~ B OR C.  
8 2. "Bond" means any obligation authorized and issued pursuant to this  
9 chapter, including bonds, lease-purchase and installment purchase agreements,  
10 certificates of participation in a lease-purchase or installment purchase  
11 agreement and obligations that are authorized and issued to refund or  
12 refinance obligations that are authorized and issued pursuant to this  
13 chapter.  
14 3. "District" means any county stadium district established pursuant  
15 to section 48-4202, subsection A, ~~OR~~ B OR C.  
16 4. "Multipurpose facility" means any facility or facilities that  
17 include:  
18 (a) A primary component that is located in the district on the  
19 multipurpose facility site and on lands that are adjacent to each other or  
20 separated by public rights-of-way, that the district owns or leases and that  
21 is used to accommodate sporting, entertainment, cultural, civic, meeting,  
22 trade show or convention events or activities, fire, police or other public  
23 safety facilities and tourism offices. The primary component may not include  
24 any structure or part of a structure that is used or designed for use as a  
25 county, city or town hall, as meeting space for the county, city or town  
26 governing body or for general municipal administrative office space other  
27 than for the administration, maintenance and operation of the multipurpose  
28 facility.  
29 (b) Secondary components that are located in the district and that the  
30 board determines are necessary or beneficial to the primary component,  
31 limited to on-site infrastructure, artistic components, parking garages and  
32 lots, and public parks and plazas. In addition, secondary components may  
33 include related commercial facilities that are located within the  
34 multipurpose facility site.  
35 5. "Multipurpose facility site" means the geographic area within the  
36 district which is depicted in the publicity pamphlet for an election held  
37 pursuant to section 48-4237.  
38 6. "Municipality" means a city or town that is incorporated or  
39 chartered under the constitution and laws of this state.  
40 7. "Stadium" means a sports facility or facilities located in the  
41 district and designed to accommodate, but not be limited to, major league  
42 baseball events OR INTERCOLLEGIATE ATHLETIC EVENTS.

1           Sec. 2. Section 48-4202, Arizona Revised Statutes, is amended to read:  
2           48-4202. Formation of district

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

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

27           C. THE BOARD OF SUPERVISORS OF ANY COUNTY IN WHICH A STATE SUPPORTED  
28 UNIVERSITY IS ESTABLISHED MAY ORGANIZE A SINGLE UNIVERSITY ATHLETIC  
29 FACILITIES DISTRICT IF THE BOARD DETERMINES THAT THE PUBLIC CONVENIENCE,  
30 NECESSITY OR WELFARE WILL BE PROMOTED BY ESTABLISHING THE DISTRICT. THE  
31 DISTRICT SHALL INCLUDE ONLY THE AREA IN THE COUNTY WITHIN THE CONTIGUOUS  
32 EXTERIOR BOUNDARIES OF REAL PROPERTY OWNED BY THE ARIZONA BOARD OF REGENTS  
33 AND SHALL EXCLUDE ANY SUCH REAL PROPERTY SUBJECT TO AN EXISTING GROUND LEASE  
34 OR SUBJECT TO AN EXISTING AGREEMENT GRANTING A THIRD PARTY THE RIGHT OR  
35 OPTION TO A GROUND LEASE. AFTER FORMATION, THE BOUNDARIES OF THE DISTRICT  
36 SHALL BE ALTERED ONLY AS THE ARIZONA BOARD OF REGENTS ACQUIRES AND DISPOSES  
37 OF REAL PROPERTY. A DISTRICT MAY BE ESTABLISHED UNDER THIS SUBSECTION IN THE  
38 SAME COUNTY IN WHICH A DISTRICT IS ESTABLISHED UNDER SUBSECTION A OF THIS  
39 SECTION. A DISTRICT FORMED PURSUANT TO THIS SUBSECTION IS DEEMED A COUNTY  
40 STADIUM DISTRICT FOR THE PURPOSES OF THIS CHAPTER.

41           ~~C.~~ D. The county board of supervisors shall be the board of directors  
42 of a countywide district established under subsection A of this section.

43           ~~D.~~ E. The board of directors of a district established under  
44 subsection B of this section shall consist of:



1           3. Enter into contracts, including intergovernmental agreements under  
2 title 11, chapter 7, article 3, as necessary to carry out the purposes and  
3 requirements of this chapter. The district may contract with a county sports  
4 authority established under title 11, chapter 5 to carry out any power of the  
5 district.

6           4. Adopt administrative rules as necessary to administer and operate  
7 the district and any property under its jurisdiction.

8           5. Adopt rules that allow weighted voting by board members and  
9 establish conditions for terminating the district.

10          6. Employ an executive director and administrative and clerical  
11 employees, or contract for other management personnel, and prescribe the  
12 terms and conditions of their employment as necessary to carry out the  
13 purposes of the district.

14          7. Acquire by any lawful means and operate, maintain, encumber and  
15 dispose of real and personal property and interests in property. A district  
16 established under section 48-4202, subsection A may acquire real property by  
17 eminent domain. A district established under section 48-4202, subsection B  
18 shall not acquire real property by eminent domain. **A DISTRICT ESTABLISHED  
19 UNDER SECTION 48-4202, SUBSECTION C SHALL NOT ACQUIRE OR OWN REAL PROPERTY OR  
20 INTERESTS IN REAL PROPERTY.**

21          8. Administer trusts declared or established for the district, receive  
22 and hold in trust or otherwise property located in or out of this state and,  
23 if not otherwise provided, dispose of the property for the benefit of the  
24 district.

25          9. Retain legal counsel and other consultants as necessary to carry  
26 out the purposes of the district.

27          B. The board of directors, on behalf of a district established  
28 pursuant to section 48-4202, subsection B, may:

29           1. Use revenues paid to the district pursuant to section 42-5031 and  
30 other revenues the district may receive from other sources, for the purposes  
31 set forth in section 48-4204, subsection B.

32           2. Enter into agreements with developers, contractors, tenants and  
33 other users of all or part of a multipurpose facility as determined  
34 appropriate.

35           3. Pledge all or part of the revenues described in section 42-5031,  
36 subsection B to secure the district's bonds or other financial obligations  
37 issued or incurred under this chapter for the construction of all or part of  
38 a multipurpose facility.

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

42           1. Presentations to the governing bodies of the municipalities in the  
43 county in which the district is located.

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

1           3. Printed or electronic materials that support the purposes of this  
2 subsection.

3           D. The board of directors shall:

4           1. Appoint from among its members a chairman, a secretary and such  
5 other officers as may be necessary to conduct its business. The board of  
6 directors may appoint the chief financial officer of the county as the  
7 district treasurer of a countywide district established under section  
8 48-4202, subsection A. If the board does not appoint the chief financial  
9 officer, the county treasurer is designated ex officio as the treasurer. The  
10 board of directors of a district that is established pursuant to section  
11 48-4202, subsection B shall designate a member of the board with financial  
12 management or accounting experience or a person with whom the board has  
13 contracted for financial management as treasurer of the district. **THE COUNTY**  
14 **TREASURER IS DESIGNATED EX OFFICIO AS THE TREASURER OF A DISTRICT THAT IS**  
15 **ESTABLISHED PURSUANT TO SECTION 48-4202, SUBSECTION C.**

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

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

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

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

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

33           Sec. 4. Section 48-4204, Arizona Revised Statutes, is amended to read:

34           48-4204. Constructing and operating a stadium and other  
35 structures; regulating alcoholic beverages

36           A. From the taxes and surcharges levied pursuant to article 2 of this  
37 chapter for use with respect to major league baseball spring training, the  
38 district may acquire land and construct, finance, furnish, maintain, improve,  
39 operate, market and promote the use of existing or proposed major league  
40 baseball spring training facilities or stadiums and other structures,  
41 utilities, roads, parking areas or buildings necessary for full use of the  
42 training facilities or stadiums for sports and other purposes and do all  
43 things necessary or convenient to accomplish those purposes. The board shall  
44 require that any project undertaken by the district include financial  
45 participation from the county or municipality in which the project is

1 located, from a private party or from any combination of these entities which  
2 equals or exceeds one-half of the amount to be expended or distributed by the  
3 district. Capital improvement funds expended at any time after June 1, 1991  
4 by a county, municipality or private party for a purpose authorized by this  
5 section may be deemed financial participation with respect to any project the  
6 district may undertake.

7 B. From the taxes and charges levied or identified pursuant to section  
8 48-4237 for use with respect to multipurpose facilities and from other monies  
9 lawfully available to the district, the district may acquire land and  
10 construct, finance, furnish, maintain, improve, operate, market and promote  
11 the use of multipurpose facilities and other structures, utilities, roads,  
12 parking areas or buildings necessary for full use of the multipurpose  
13 facilities and do all things necessary or convenient to accomplish those  
14 purposes. Public funds identified in section 48-4237, including funds  
15 distributed pursuant to section 42-5031, may only be used for the components  
16 for a multipurpose facility which are owned by the district or which are  
17 publicly owned, except that monies paid to the district pursuant to section  
18 42-5031 may only be used for the following purposes until a notice to proceed  
19 is issued for a hotel and convention center located on the multipurpose  
20 facility site:

- 21 1. Debt service for bonds issued by the district before January 1,  
22 2009.
- 23 2. Contractual obligations incurred by the district before June 1,  
24 2009.
- 25 3. Fiduciary, reasonable legal and administrative expenses of the  
26 district.
- 27 4. The design and construction of the hotel and convention center  
28 located on the multipurpose facility site.

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

33 D. PURSUANT TO INTERGOVERNMENTAL AGREEMENT WITH THE ARIZONA BOARD OF  
34 REGENTS, FROM THE REVENUES COLLECTED FROM ASSESSMENTS PURSUANT TO SECTION  
35 48-4235 FOR USE WITH RESPECT TO ARIZONA BOARD OF REGENTS OWNED  
36 INTERCOLLEGIATE ATHLETIC FACILITIES, THE DISTRICT MAY CONSTRUCT, RECONSTRUCT,  
37 FINANCE, FURNISH, MAINTAIN AND IMPROVE EXISTING INTERCOLLEGIATE ATHLETIC  
38 FACILITIES LOCATED ON ARIZONA BOARD OF REGENTS' PROPERTY, INCLUDING  
39 UTILITIES, ROADS, PARKING AREAS OR BUILDINGS NECESSARY FOR FULL USE OF THE  
40 ATHLETIC FACILITIES.

41 ~~D.~~ E. Title 34 applies to the district, except that regardless of the  
42 funding source for design and construction of facilities and structures the  
43 district may establish alternative systems and procedures, including the use  
44 of the design-build method of construction or the use of qualifications-based  
45 selection of contractors with experience in stadium design or construction,

1 to expedite the design and construction OR RECONSTRUCTION of any of its  
2 facilities or structures or any facilities or structures leased to it or used  
3 by it pursuant to an intergovernmental agreement. For the purposes of this  
4 subsection:

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

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

16 ~~E.~~ F. For THE purposes of financing, designing, constructing,  
17 RECONSTRUCTING or operating facilities or structures, the district is not the  
18 agent of any municipality, THIS STATE OR ANY AGENCY OR INSTRUMENTALITY OF  
19 THIS STATE participating in the funding of such facilities or structures.

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

23 Sec. 5. Title 48, chapter 26, article 2, Arizona Revised Statutes, is  
24 amended by adding section 48-4235, to read:

25 48-4235. Assessment in lieu of property tax: rate:  
26 administration

27 A. THE BOARD OF DIRECTORS OF A DISTRICT ESTABLISHED PURSUANT TO  
28 SECTION 48-4202, SUBSECTION C SHALL PROVIDE BY INTERGOVERNMENTAL AGREEMENT  
29 FOR THE IMPOSITION AND COLLECTION OF AN ASSESSMENT FROM PRIME COMMERCIAL  
30 LESSEES OF ARIZONA BOARD OF REGENTS' PROPERTY IN THE DISTRICT.

31 B. THE BOARD OF DIRECTORS SHALL DETERMINE THE AMOUNT OF THE ASSESSMENT  
32 EACH YEAR AS FOLLOWS:

33 1. DETERMINE THE VALUATION OF EACH PARCEL OF ARIZONA BOARD OF REGENTS'  
34 PROPERTY IN THE SAME MANNER AS IS USED BY THE COUNTY ASSESSOR TO DETERMINE  
35 THE VALUATION OF SIMILAR PROPERTY IN THE COUNTY. THE BOARD OF DIRECTORS  
36 SHALL MAKE AVAILABLE THE METHOD AND CALCULATION OF THE VALUATION OF ANY  
37 PROPERTY ON REQUEST. ON THE PETITION OF A PRIME LESSEE, THE BOARD OF  
38 DIRECTORS SHALL MEET WITH THE PETITIONER TO RESOLVE ANY DISAGREEMENT ON THE  
39 AMOUNT OF THE VALUATION.

40 2. COMPUTE A COMPARABLE ASSESSED VALUATION BY APPLYING THE APPROPRIATE  
41 ASSESSMENT PERCENTAGE PRESCRIBED BY TITLE 42, CHAPTER 15, ARTICLE 1 TO THE  
42 VALUATION DETERMINED UNDER PARAGRAPH 1.

43 3. MULTIPLY THE COMPARABLE ASSESSED VALUATION DETERMINED UNDER  
44 PARAGRAPH 2 BY A RATE PER ONE HUNDRED DOLLARS ESTABLISHED BY THE BOARD OF

1 DIRECTORS, BUT NOT TO EXCEED THE COMPOSITE TAX RATES OF ALL TAXING  
2 JURISDICTIONS IN WHICH THE PARCEL OF PROPERTY IS LOCATED.

3 C. THE DISTRICT TREASURER SHALL COLLECT THE ASSESSMENT FROM THE PRIME  
4 LESSEE. THE DISTRICT TREASURER SHALL DEPOSIT THE NET REVENUES FROM THE  
5 ASSESSMENT IN THE DISTRICT FUND TO BE USED FOR THE PURPOSES ALLOWED BY THIS  
6 CHAPTER.

7 D. THE BOARD OF DIRECTORS MAY PLEDGE ALL OR PART OF THE ASSESSMENT  
8 REVENUES TO SECURE DISTRICT BONDS OR FINANCIAL OBLIGATIONS UNDER THIS  
9 CHAPTER. THE BOARD OF DIRECTORS MUST CONTINUE TO IMPOSE AND COLLECT THE  
10 ASSESSMENT IN AN AMOUNT THAT IS AT LEAST ADEQUATE FOR ALL DEBT SERVICE  
11 REQUIREMENTS OF THE DISTRICT UNDER THIS CHAPTER.