

REFERENCE TITLE: university athletic facilities district

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

## HB 2035

Introduced by  
Representative Nichols

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 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 48-4201, 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  
16 municipalities. After formation, the boundaries of the district shall not be  
17 altered. A district may be established under this subsection in the same  
18 county in which a district is established under subsection A of this  
19 section. A district formed pursuant to this subsection shall be deemed a  
20 county stadium district for purposes of this chapter. Notwithstanding any  
21 other law, a district may not be organized under this subsection from and  
22 after October 31, 1999, except that a district may be organized under this  
23 subsection after October 31, 1999 if before that date the governing body of  
24 two or more of the municipalities identified the location of a multipurpose  
25 facility site and has voted with the purpose of forming a district for  
26 multipurpose facilities 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. The  
43 board of directors of a district established under subsection B of this  
44 section shall consist of two members appointed for a definite term by the  
45 governing body of each municipality but may not include officers or employees

1 of the municipality, and if the district enters into an intergovernmental  
2 agreement pursuant to section 48-4203 with an Indian tribe or community, the  
3 board of directors shall include two members appointed by the Indian tribe or  
4 community. ~~THE BOARD OF DIRECTORS OF A DISTRICT ESTABLISHED UNDER SUBSECTION~~  
5 ~~C OF THIS SECTION SHALL BE ESTABLISHED PURSUANT TO AN INTERGOVERNMENTAL~~  
6 ~~AGREEMENT BETWEEN THE COUNTY AND THE ARIZONA BOARD OF REGENTS.~~ The directors  
7 are not eligible for compensation for their services but are eligible for  
8 reimbursement for their necessary expenses in attending to and traveling on  
9 district business.

10 ~~D.~~ E. The board of supervisors may pay the necessary costs incurred  
11 in connection with establishing a countywide district from any county monies  
12 available for that purpose. The municipalities may pay their proportionate  
13 share of the necessary costs incurred in establishing a district formed by  
14 two or more municipalities under subsection B of this section from any monies  
15 available for that purpose. ~~THE ARIZONA BOARD OF REGENTS MAY PAY THE~~  
16 ~~NECESSARY COSTS INCURRED IN CONNECTION WITH ESTABLISHING A DISTRICT UNDER~~  
17 ~~SUBSECTION C OF THIS SECTION FROM ANY MONIES AVAILABLE FOR THAT PURPOSE.~~

18 ~~E.~~ F. Subject to limitations imposed ~~BY THIS CHAPTER,~~ by  
19 intergovernmental agreement and ~~BY~~ the ordinance or resolution authorizing  
20 the formation of the district, the district is a tax levying public  
21 improvement district and a political taxing subdivision of this state and has  
22 all the powers, privileges and immunities granted generally to municipal  
23 corporations for the purposes of implementing this chapter, including eminent  
24 domain, as provided by section 48-4203, subsection A, paragraph 7, and  
25 immunity of its property, bonds and interest on and transfer of its bonds  
26 from taxation.

27 Sec. 3. Section 48-4203, Arizona Revised Statutes, is amended to read:

28 48-4203. Powers and duties of board of directors; conflict of  
29 interest

30 A. The board of directors, on behalf of the district, may:

- 31 1. Adopt and use a corporate seal.
- 32 2. Sue and be sued.

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

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

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

42 6. Employ an executive director and administrative and clerical  
43 employees, or contract for other management personnel, and prescribe the  
44 terms and conditions of their employment as necessary to carry out the  
45 purposes of the district.

1           7. Acquire by any lawful means and operate, maintain, encumber and  
2 dispose of real and personal property and interests in property. A district  
3 established under section 48-4202, subsection A may acquire real property by  
4 eminent domain. A district established under section 48-4202, subsection B  
5 shall not acquire real property by eminent domain. **A DISTRICT ESTABLISHED**  
6 **UNDER SECTION 48-4202, SUBSECTION C SHALL NOT ACQUIRE OR OWN REAL PROPERTY OR**  
7 **INTERESTS IN REAL PROPERTY.**

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

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

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

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

19           2. Enter into agreements with developers, contractors, tenants and  
20 other users of all or part of a multipurpose facility as determined  
21 appropriate.

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

26           C. The board of directors shall:

27           1. Appoint from among its members a chairman, a secretary and such  
28 other officers as may be necessary to conduct its business. The board of  
29 directors may appoint the chief financial officer of the county as the  
30 district treasurer of a countywide district established under section  
31 48-4202, subsection A. If the board does not appoint the chief financial  
32 officer, the county treasurer is designated ex officio as the treasurer. The  
33 board of directors of a district that is established pursuant to section  
34 48-4202, subsection B shall designate ex officio an officer of one of the  
35 municipalities as treasurer of the district. **THE COUNTY TREASURER IS**  
36 **DESIGNATED EX OFFICIO AS THE TREASURER OF A DISTRICT THAT IS ESTABLISHED**  
37 **PURSUANT TO SECTION 48-4202, SUBSECTION C.**

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

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

44           D. The board of directors of a district that is established pursuant  
45 to section 48-4202, subsection B shall determine by agreement the

1 distribution of revenues from operating and using the multipurpose facilities  
2 among the municipalities and any participating Indian tribe or community.

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

5 F. This state and political subdivisions of this state other than the  
6 district are not liable for any financial or other obligations of the  
7 district and the financial or other obligations do not constitute a debt or  
8 liability of this state or any political subdivision of this state, other  
9 than the district.

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

11 48-4204. Constructing and operating a stadium and other  
12 structures; regulating alcoholic beverages

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

29 B. From the taxes and charges levied or identified pursuant to section  
30 48-4237 for use with respect to multipurpose facilities and from other monies  
31 lawfully available to the district, the district may acquire land and  
32 construct, finance, furnish, maintain, improve, operate, market and promote  
33 the use of multipurpose facilities and other structures, utilities, roads,  
34 parking areas or buildings necessary for full use of the multipurpose  
35 facilities and do all things necessary or convenient to accomplish those  
36 purposes. Public funds identified in section 48-4237, including funds  
37 distributed pursuant to section 42-5031, may only be used for the components  
38 for a multipurpose facility which are owned by the district or which are  
39 publicly owned.

40 C. PURSUANT TO INTERGOVERNMENTAL AGREEMENT WITH THE ARIZONA BOARD OF  
41 REGENTS, FROM THE REVENUES COLLECTED FROM ASSESSMENTS PURSUANT TO SECTION  
42 48-4235 FOR USE WITH RESPECT TO BOARD OF REGENTS OWNED INTERCOLLEGIATE  
43 ATHLETIC FACILITIES, THE DISTRICT MAY CONSTRUCT, RECONSTRUCT, FINANCE,  
44 FURNISH, MAINTAIN AND IMPROVE EXISTING INTERCOLLEGIATE ATHLETIC FACILITIES

1 LOCATED ON BOARD OF REGENTS PROPERTY, INCLUDING UTILITIES, ROADS, PARKING  
2 AREAS OR BUILDINGS NECESSARY FOR FULL USE OF THE ATHLETIC FACILITIES.

3 ~~D.~~ D. Title 34 applies to the district, except that regardless of the  
4 funding source for design and construction of facilities and structures the  
5 district may establish alternative systems and procedures, including the use  
6 of the design-build method of construction or the use of qualifications-based  
7 selection of contractors with experience in stadium design or construction,  
8 to expedite the design and construction OR RECONSTRUCTION of any of its  
9 facilities or structures or any facilities or structures leased to it or used  
10 by it pursuant to an intergovernmental agreement. For the purposes of this  
11 subsection:

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

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

23 ~~D.~~ E. For THE purposes of financing, designing, constructing,  
24 RECONSTRUCTING or operating facilities or structures, the district is not the  
25 agent of any municipality, THIS STATE OR ANY AGENCY OR INSTRUMENTALITY OF  
26 THIS STATE participating in the funding of such facilities or structures.

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

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

32 48-4235. Assessment in lieu of property tax; rate;  
33 administration

34 A. THE BOARD OF DIRECTORS OF A DISTRICT ESTABLISHED PURSUANT TO  
35 SECTION 48-4202, SUBSECTION C SHALL PROVIDE BY INTERGOVERNMENTAL AGREEMENT  
36 FOR THE IMPOSITION AND COLLECTION OF AN ASSESSMENT FROM PRIME COMMERCIAL  
37 LESSEES OF BOARD OF REGENTS PROPERTY IN THE DISTRICT.

38 B. THE BOARD OF DIRECTORS SHALL DETERMINE THE AMOUNT OF THE ASSESSMENT  
39 EACH YEAR AS FOLLOWS:

40 1. DETERMINE THE VALUATION OF EACH PARCEL OF BOARD OF REGENTS PROPERTY  
41 IN THE SAME MANNER AS IS USED BY THE COUNTY ASSESSOR TO DETERMINE THE  
42 VALUATION OF SIMILAR PROPERTY IN THE COUNTY. THE BOARD OF DIRECTORS SHALL  
43 MAKE AVAILABLE THE METHOD AND CALCULATION OF THE VALUATION OF ANY PROPERTY ON  
44 REQUEST. ON THE PETITION OF A PRIME LESSEE, THE BOARD OF DIRECTORS SHALL

1 MEET WITH THE PETITIONER TO RESOLVE ANY DISAGREEMENT ON THE AMOUNT OF THE  
2 VALUATION.  
3 2. COMPUTE A COMPARABLE ASSESSED VALUATION BY APPLYING THE APPROPRIATE  
4 ASSESSMENT PERCENTAGE PRESCRIBED BY TITLE 42, CHAPTER 15, ARTICLE 1 TO THE  
5 VALUATION DETERMINED UNDER PARAGRAPH 1.  
6 3. MULTIPLY THE COMPARABLE ASSESSED VALUATION DETERMINED UNDER  
7 PARAGRAPH 2 BY A RATE PER ONE HUNDRED DOLLARS ESTABLISHED BY THE BOARD OF  
8 DIRECTORS, BUT NOT TO EXCEED THE COMPOSITE TAX RATES OF ALL TAXING  
9 JURISDICTIONS IN WHICH THE PARCEL OF PROPERTY IS LOCATED.  
10 C. THE DISTRICT TREASURER SHALL COLLECT THE ASSESSMENT FROM THE PRIME  
11 LESSEE. THE DISTRICT TREASURER SHALL DEPOSIT THE NET REVENUES FROM THE  
12 ASSESSMENT IN THE DISTRICT FUND TO BE USED FOR THE PURPOSES ALLOWED BY THIS  
13 CHAPTER.  
14 D. THE BOARD OF DIRECTORS MAY PLEDGE ALL OR PART OF THE ASSESSMENT  
15 REVENUES TO SECURE DISTRICT BONDS OR FINANCIAL OBLIGATIONS UNDER THIS  
16 CHAPTER. THE BOARD OF DIRECTORS MUST CONTINUE TO IMPOSE AND COLLECT THE  
17 ASSESSMENT IN AN AMOUNT THAT IS AT LEAST ADEQUATE FOR ALL DEBT SERVICE  
18 REQUIREMENTS OF THE DISTRICT UNDER THIS CHAPTER.