

State of Arizona  
House of Representatives  
Fiftieth Legislature  
Second Regular Session  
2012

# HOUSE BILL 2647

## AN ACT

AMENDING SECTIONS 9-463.05, 9-835, 42-5031 AND 42-6004, ARIZONA REVISED STATUTES; AMENDING TITLE 42, CHAPTER 13, ARTICLE 7, ARIZONA REVISED STATUTES, BY ADDING SECTION 42-13305; AMENDING SECTIONS 48-4201, 48-4202, 48-4203, 48-4204, 48-4231.01 AND 48-4237, ARIZONA REVISED STATUTES; RELATING TO COUNTY 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 9-463.05, Arizona Revised Statutes, is amended to  
3 read:

4 9-463.05. Development fees; imposition by cities and towns;  
5 infrastructure improvements plan; annual report;  
6 advisory committee; limitation on actions;  
7 definitions

8 A. A municipality may assess development fees to offset costs to the  
9 municipality associated with providing necessary public services to a  
10 development, including the costs of infrastructure, improvements, real  
11 property, engineering and architectural services, financing and professional  
12 services required for the preparation or revision of a development fee  
13 pursuant to this section, including the relevant portion of the  
14 infrastructure improvements plan.

15 B. Development fees assessed by a municipality under this section are  
16 subject to the following requirements:

17 1. Development fees shall result in a beneficial use to the  
18 development.

19 2. The municipality shall calculate the development fee based on the  
20 infrastructure improvements plan adopted pursuant to this section.

21 3. The development fee shall not exceed a proportionate share of the  
22 cost of necessary public services, based on service units, needed to provide  
23 necessary public services to the development.

24 4. Costs for necessary public services made necessary by new  
25 development shall be based on the same level of service provided to existing  
26 development in the service area.

27 5. Development fees may not be used for any of the following:

28 (a) Construction, acquisition or expansion of public facilities or  
29 assets other than necessary public services or facility expansions identified  
30 in the infrastructure improvements plan.

31 (b) Repair, operation or maintenance of existing or new necessary  
32 public services or facility expansions.

33 (c) Upgrading, updating, expanding, correcting or replacing existing  
34 necessary public services to serve existing development in order to meet  
35 stricter safety, efficiency, environmental or regulatory standards.

36 (d) Upgrading, updating, expanding, correcting or replacing existing  
37 necessary public services to provide a higher level of service to existing  
38 development.

39 (e) Administrative, maintenance or operating costs of the  
40 municipality.

41 6. Any development for which a development fee has been paid is  
42 entitled to the use and benefit of the services for which the fee was imposed  
43 and is entitled to receive immediate service from any existing facility with  
44 available capacity to serve the new service units if the available capacity

1 has not been reserved or pledged in connection with the construction or  
2 financing of the facility.

3 7. Development fees may be collected if any of the following occurs:

4 (a) The collection is made to pay for a necessary public service or  
5 facility expansion that is identified in the infrastructure improvements plan  
6 and the municipality plans to complete construction and to have the service  
7 available within the time period established in the infrastructure  
8 ~~improvement~~ IMPROVEMENTS plan, but in no event longer than the time period  
9 provided in subsection ~~H~~ I, paragraph 3 of this section.

10 (b) The municipality reserves in the infrastructure improvements plan  
11 adopted pursuant to this section or otherwise agrees to reserve capacity to  
12 serve future development.

13 (c) The municipality requires or agrees to allow the owner of a  
14 development to construct or finance the necessary public service or facility  
15 expansion and any of the following ~~apply~~ APPLIES:

16 (i) The costs incurred or money advanced are credited against or  
17 reimbursed from the development fees otherwise due from a development.

18 (ii) The municipality reimburses the owner for those costs from the  
19 development fees paid from all developments that will use those necessary  
20 public services or facility expansions.

21 (iii) For those costs incurred the municipality allows the owner to  
22 assign the credits or reimbursement rights from the development fees  
23 otherwise due from a development to other developments for the same category  
24 of necessary public services in the same service area.

25 8. Projected interest charges and other finance costs may be included  
26 in determining the amount of development fees only if the monies are used for  
27 the payment of principal and interest on the portion of the bonds, notes or  
28 other obligations issued to finance construction of necessary public services  
29 or facility expansions identified in the infrastructure improvements plan.

30 9. Monies received from development fees assessed pursuant to this  
31 section shall be placed in a separate fund and accounted for separately and  
32 may only be used for the purposes authorized by this section. Monies  
33 received from a development fee identified in an infrastructure improvements  
34 plan adopted or updated pursuant to subsection D of this section shall be  
35 used to provide the same category of necessary public services or facility  
36 expansions for which the development fee was assessed and for the benefit of  
37 the same service area, as defined in the infrastructure improvements plan, in  
38 which the development fee was assessed. Interest earned on monies in the  
39 separate fund shall be credited to the fund.

40 10. The schedule for payment of fees shall be provided by the  
41 municipality. Based on the cost identified in the infrastructure  
42 improvements plan, the municipality shall provide a credit toward the payment  
43 of a development fee for the required or agreed to dedication of public  
44 sites, improvements and other necessary public services or facility  
45 expansions included in the infrastructure improvements plan and for which a

1 development fee is assessed, to the extent the public sites, improvements and  
2 necessary public services or facility expansions are provided by the  
3 developer. The developer of residential dwelling units shall be required to  
4 pay development fees when construction permits for the dwelling units are  
5 issued, or at a later time if specified in a development agreement pursuant  
6 to section 9-500.05. If a development agreement provides for fees to be paid  
7 at a time later than the issuance of construction permits, the deferred fees  
8 shall be paid no later than fifteen days after the issuance of a certificate  
9 of occupancy. The development agreement shall provide for the value of any  
10 deferred fees to be supported by appropriate security, including a surety  
11 bond, letter of credit or cash bond.

12 11. If a municipality requires as a condition of development approval  
13 the construction or improvement of, contributions to or dedication of any  
14 facilities that were not included in a previously adopted infrastructure  
15 improvements plan, the municipality shall cause the infrastructure  
16 improvements plan to be amended to include the facilities and shall provide a  
17 credit toward the payment of a development fee for the construction,  
18 improvement, contribution or dedication of the facilities to the extent that  
19 the facilities will substitute for or otherwise reduce the need for other  
20 similar facilities in the infrastructure improvements plan for which  
21 development fees were assessed.

22 12. The municipality shall forecast the contribution to be made in the  
23 future in cash or by taxes, fees, assessments or other sources of revenue  
24 derived from the property owner towards the capital costs of the necessary  
25 public service covered by the development fee and shall include these  
26 contributions in determining the extent of the burden imposed by the  
27 development. Beginning August 1, 2014, for purposes of calculating the  
28 required offset to development fees pursuant to this subsection, if a  
29 municipality imposes a construction contracting or similar excise tax rate in  
30 excess of the percentage amount of the transaction privilege tax rate imposed  
31 on the majority of other transaction privilege tax classifications, the  
32 entire excess portion of the construction contracting or similar excise tax  
33 shall be treated as a contribution to the capital costs of necessary public  
34 services provided to development for which development fees are assessed,  
35 unless the excess portion was already taken into account for such purpose  
36 pursuant to this subsection.

37 13. If development fees are assessed by a municipality, the fees shall  
38 be assessed against commercial, residential and industrial development,  
39 except that the municipality may distinguish between different categories of  
40 residential, commercial and industrial development in assessing the costs to  
41 the municipality of providing necessary public services to new development  
42 and in determining the amount of the development fee applicable to the  
43 category of development. If a municipality agrees to waive any of the  
44 development fees assessed on a development, the municipality shall reimburse  
45 the appropriate development fee accounts for the amount that was waived. The

1 municipality shall provide notice of any such waiver to the advisory  
2 committee established pursuant to subsection ~~G~~ H of this section within  
3 thirty days.

4 14. In determining and assessing a development fee applying to land in  
5 a community facilities district established under title 48, chapter 4,  
6 article 6, the municipality shall take into account all public infrastructure  
7 provided by the district and capital costs paid by the district for necessary  
8 public services and shall not assess a portion of the development fee based  
9 on the infrastructure or costs.

10 C. A municipality shall give at least thirty days' advance notice of  
11 intention to assess a development fee and shall release to the public and  
12 post on its website or the website of an association of cities and towns if a  
13 municipality does not have a website a written report of the land use  
14 assumptions and infrastructure improvements plan adopted pursuant to  
15 subsection D of this section. The municipality shall conduct a public  
16 hearing on the proposed development fee at any time after the expiration of  
17 the thirty day notice of intention to assess a development fee and at least  
18 thirty days before the scheduled date of adoption of the fee by the governing  
19 body. Within sixty days after the date of the public hearing on the proposed  
20 development fee, a municipality shall approve or disapprove the imposition of  
21 the development fee. A municipality shall not adopt an ordinance, order or  
22 resolution approving a development fee as an emergency measure. A  
23 development fee assessed pursuant to this section shall not be effective  
24 until seventy-five days after its formal adoption by the governing body of  
25 the municipality. Nothing in this subsection shall affect any development  
26 fee adopted before July 24, 1982.

27 D. Before the adoption or amendment of a development fee, the  
28 governing body of the municipality shall adopt or update the land use  
29 assumptions and infrastructure improvements plan for the designated service  
30 area. The municipality shall conduct a public hearing on the land use  
31 assumptions and infrastructure improvements plan at least thirty days before  
32 the adoption or update of the plan. The municipality shall release the plan  
33 to the public, post the plan on its website or the website of an association  
34 of cities and towns if the municipality does not have a website, including in  
35 the posting its land use assumptions, the time period of the projections, a  
36 description of the necessary public services included in the infrastructure  
37 improvements plan and a map of the service area to which the land use  
38 assumptions apply, make available to the public the documents used to prepare  
39 the assumptions and plan and provide public notice at least sixty days before  
40 the public hearing, subject to the following:

41 1. The land use assumptions and infrastructure improvements plan shall  
42 be approved or disapproved within sixty days after the public hearing on the  
43 land use assumptions and infrastructure improvements plan and at least thirty  
44 days before the public hearing on the report required by subsection C of this  
45 section. A municipality shall not adopt an ordinance, order or resolution

1 approving the land use assumptions or infrastructure improvements plan as an  
2 emergency measure.

3 2. An infrastructure improvements plan shall be developed by qualified  
4 professionals using generally accepted engineering and planning practices  
5 pursuant to subsection E of this section.

6 3. A municipality shall update the land use assumptions and  
7 infrastructure improvements plan at least every five years. The initial five  
8 year period begins on the day the infrastructure improvements plan is  
9 adopted. The municipality shall review and evaluate its current land use  
10 assumptions and shall cause an update of the infrastructure improvements plan  
11 to be prepared pursuant to this section.

12 4. Within sixty days after completion of the updated land use  
13 assumptions and infrastructure improvements plan, the municipality shall  
14 schedule and provide notice of a public hearing to discuss and review the  
15 update and shall determine whether to amend the assumptions and plan.

16 5. A municipality shall hold a public hearing to discuss the proposed  
17 amendments to the land use assumptions, the infrastructure improvements plan  
18 or the development fee. The land use assumptions and the infrastructure  
19 improvements plan, including the amount of any proposed changes to the  
20 development fee per service unit, shall be made available to the public on or  
21 before the date of the first publication of the notice of the hearing on the  
22 amendments.

23 6. The notice and hearing procedures prescribed in paragraph 1 of this  
24 subsection apply to a hearing on the amendment of land use assumptions, an  
25 infrastructure improvements plan or a development fee. Within sixty days  
26 after the date of the public hearing on the amendments, a municipality shall  
27 approve or disapprove the amendments to the land use assumptions,  
28 infrastructure improvements plan or development fee. A municipality shall  
29 not adopt an ordinance, order or resolution approving the amended land use  
30 assumptions, infrastructure improvements plan or development fee as an  
31 emergency measure.

32 7. The advisory committee established under subsection ~~G~~ H of this  
33 section shall file its written comments on any proposed or updated land use  
34 assumptions, infrastructure improvements plan and development fees before the  
35 fifth business day before the date of the public hearing on the proposed or  
36 updated assumptions, plan and fees.

37 8. If, at the time an update as prescribed in paragraph 3 of this  
38 subsection is required, the municipality determines that no changes to the  
39 land use assumptions, infrastructure improvements plan or development fees  
40 are needed, the municipality may as an alternative to the updating  
41 requirements of this subsection publish notice of its determination on its  
42 website and include the following:

43 (a) A statement that the municipality has determined that no change to  
44 the land use assumptions, infrastructure improvements plan or development fee  
45 is necessary.

1 (b) A description and map of the service area in which an update has  
2 been determined to be unnecessary.

3 (c) A statement that by a specified date, which shall be at least  
4 sixty days after the date of publication of the first notice, a person may  
5 make a written request to the municipality requesting that the land use  
6 assumptions, infrastructure improvements plan or development fee be updated.

7 (d) A statement identifying the person or entity to whom the written  
8 request for an update should be sent.

9 9. If, by the date specified pursuant to paragraph 8 of this  
10 subsection, a person requests in writing that the land use assumptions,  
11 infrastructure improvements plan or development fee be updated, the  
12 municipality shall cause, accept or reject an update of the assumptions and  
13 plan to be prepared pursuant to this subsection.

14 10. Notwithstanding the notice and hearing requirements for adoption of  
15 an infrastructure improvements plan, a municipality may amend an  
16 infrastructure improvements plan adopted pursuant to this section without a  
17 public hearing if the amendment addresses only elements of necessary public  
18 services in the existing infrastructure improvements plan and the changes to  
19 the plan will not, individually or cumulatively with other amendments adopted  
20 pursuant to this subsection, increase the level of service in the service  
21 area or cause a development fee increase of greater than five per cent when a  
22 new or modified development fee is assessed pursuant to this section. The  
23 municipality shall provide notice of any such amendment at least thirty days  
24 before adoption, shall post the amendment on its website or on the website of  
25 an association of cities and towns if the municipality does not have a  
26 website and shall provide notice to the advisory committee established  
27 pursuant to subsection ~~G~~ H of this section that the amendment complies with  
28 this subsection.

29 E. For each necessary public service that is the subject of a  
30 development fee, the infrastructure improvements plan shall include:

31 1. A description of the existing necessary public services in the  
32 service area and the costs to upgrade, update, improve, expand, correct or  
33 replace those necessary public services to meet existing needs and usage and  
34 stricter safety, efficiency, environmental or regulatory standards, which  
35 shall be prepared by qualified professionals licensed in this state, as  
36 applicable.

37 2. An analysis of the total capacity, the level of current usage and  
38 commitments for usage of capacity of the existing necessary public services,  
39 which shall be prepared by qualified professionals licensed in this state, as  
40 applicable.

41 3. A description of all or the parts of the necessary public services  
42 or facility expansions and their costs necessitated by and attributable to  
43 development in the service area based on the approved land use assumptions,  
44 including a forecast of the costs of infrastructure, improvements, real

1 property, financing, engineering and architectural services, which shall be  
2 prepared by qualified professionals licensed in this state, as applicable.

3 4. A table establishing the specific level or quantity of use,  
4 consumption, generation or discharge of a service unit for each category of  
5 necessary public services or facility expansions and an equivalency or  
6 conversion table establishing the ratio of a service unit to various types of  
7 land uses, including residential, commercial and industrial.

8 5. The total number of projected service units necessitated by and  
9 attributable to new development in the service area based on the approved  
10 land use assumptions and calculated pursuant to generally accepted  
11 engineering and planning criteria.

12 6. The projected demand for necessary public services or facility  
13 expansions required by new service units for a period not to exceed ten  
14 years.

15 7. A forecast of revenues generated by new service units other than  
16 development fees, which shall include estimated state-shared revenue, highway  
17 ~~users~~ USER revenue, federal revenue, ad valorem property taxes, construction  
18 contracting or similar excise taxes and the capital recovery portion of  
19 utility fees attributable to development based on the approved land use  
20 assumptions, and a plan to include these contributions in determining the  
21 extent of the burden imposed by the development as required in subsection B,  
22 paragraph 12 of this section.

23 F. A municipality's development fee ordinance shall provide that a new  
24 development fee or an increased portion of a modified development fee shall  
25 not be assessed against a development for twenty-four months after the date  
26 that the municipality issues the final approval for a commercial, industrial  
27 or multifamily development or the date that the first building permit is  
28 issued for a residential development pursuant to an approved site plan or  
29 subdivision plat, provided that no subsequent changes are made to the  
30 approved site plan or subdivision plat that would increase the number of  
31 service units. If the number of service units increases, the new or  
32 increased portion of a modified development fee shall be limited to the  
33 amount attributable to the additional service units. The twenty-four month  
34 period shall not be extended by a renewal or amendment of the site plan or  
35 the final subdivision plat that was the subject of the final approval. The  
36 municipality shall issue, on request, a written statement of the development  
37 fee schedule applicable to the development. If, after the date of the  
38 municipality's final approval of a development, the municipality reduces the  
39 development fee assessed on development, the reduced fee shall apply to the  
40 development.

41 G. A MUNICIPALITY SHALL NOT LEVY OR ASSESS AN IMPACT OR DEVELOPMENT  
42 FEE, CONNECTION OR HOOKUP FEE OR ANY OTHER ASSESSMENT, HOWEVER DENOMINATED OR  
43 FOR ANY PURPOSE, ON THE DEVELOPMENT OF REAL PROPERTY IN A COUNTY STADIUM  
44 DISTRICT ESTABLISHED PURSUANT TO SECTION 48-4202, SUBSECTION B.



1           ~~G.~~ H. A municipality shall do one of the following:  
2           1. Before the adoption of proposed or updated land use assumptions,  
3 infrastructure improvements plan and development fees as prescribed in  
4 subsection D of this section, the municipality shall appoint an  
5 infrastructure improvements advisory committee, subject to the following  
6 requirements:  
7           (a) The advisory committee shall be composed of at least five members  
8 who are appointed by the governing body of the municipality. At least fifty  
9 per cent of the members of the advisory committee must be representatives of  
10 the real estate, development or building industries, of which at least one  
11 member of the committee must be from the home building industry. Members  
12 shall not be employees or officials of the municipality.  
13           (b) The advisory committee shall serve in an advisory capacity and  
14 shall:  
15           (i) Advise the municipality in adopting land use assumptions and in  
16 determining whether the assumptions are in conformance with the general plan  
17 of the municipality.  
18           (ii) Review the infrastructure improvements plan and file written  
19 comments.  
20           (iii) Monitor and evaluate implementation of the infrastructure  
21 improvements plan.  
22           (iv) Every year file reports with respect to the progress of the  
23 infrastructure improvements plan and the collection and expenditures of  
24 development fees and report to the municipality any perceived inequities in  
25 implementing the plan or imposing the development fee.  
26           (v) Advise the municipality of the need to update or revise the land  
27 use assumptions, infrastructure improvements plan and development fee.  
28           (c) The municipality shall make available to the advisory committee  
29 any professional reports with respect to developing and implementing the  
30 infrastructure improvements plan.  
31           (d) The municipality shall adopt procedural rules for the advisory  
32 committee to follow in carrying out the committee's duties.  
33           2. In lieu of creating an advisory committee pursuant to paragraph 1  
34 of this subsection, provide for a biennial certified audit of the  
35 municipality's land use assumptions, infrastructure improvements plan and  
36 development fees. An audit pursuant to this paragraph shall be conducted by  
37 one or more qualified professionals who are not employees or officials of the  
38 municipality and who did not prepare the infrastructure improvements plan.  
39 The audit shall review the progress of the infrastructure improvements plan,  
40 including the collection and expenditures of development fees for each  
41 project in the plan, and evaluate any inequities in implementing the plan or  
42 imposing the development fee. The municipality shall post the findings of  
43 the audit on the municipality's website or the website of an association of  
44 cities and towns if the municipality does not have a website and shall

1 conduct a public hearing on the audit within sixty days of the release of the  
2 audit to the public.

3 ~~H.~~ I. On written request, an owner of real property for which a  
4 development fee has been paid after July 31, 2014 is entitled to a refund of  
5 a development fee or any part of a development fee if:

6 1. Pursuant to subsection B, paragraph 6 of this section, existing  
7 facilities are available and service is not provided.

8 2. The municipality has, after collecting the fee to construct a  
9 facility when service is not available, failed to complete construction  
10 within the time period identified in the infrastructure improvements plan,  
11 but in no event later than the time period specified in paragraph 3 of this  
12 subsection.

13 3. For a development fee other than a development fee for water or  
14 wastewater facilities, any part of the development fee is not spent as  
15 authorized by this section within ten years after the fee has been paid or,  
16 for a development fee for water or wastewater facilities, any part of the  
17 development fee is not spent as authorized by this section within fifteen  
18 years after the fee has been paid.

19 ~~I.~~ J. If the development fee was collected for the construction of  
20 all or a portion of a specific item of infrastructure, and on completion of  
21 the infrastructure the municipality determines that the actual cost of  
22 construction was less than the forecasted cost of construction on which the  
23 development fee was based and the difference between the actual and estimated  
24 cost is greater than ten per cent, the current owner may receive a refund of  
25 the portion of the development fee equal to the difference between the  
26 development fee paid and the development fee that would have been due if the  
27 development fee had been calculated at the actual construction cost.

28 ~~J.~~ K. A refund shall include any interest earned by the municipality  
29 from the date of collection to the date of refund on the amount of the  
30 refunded fee. All refunds shall be made to the record owner of the property  
31 at the time the refund is paid. If the development fee is paid by a  
32 governmental entity, the refund shall be paid to the governmental entity.

33 ~~K.~~ L. A development fee that was adopted before January 1, 2012 may  
34 continue to be assessed only to the extent that it will be used to provide a  
35 necessary public service for which development fees can be assessed pursuant  
36 to this section and shall be replaced by a development fee imposed under this  
37 section on or before August 1, 2014. Any municipality having a development  
38 fee that has not been replaced under this section on or before August 1, 2014  
39 shall not collect development fees until the development fee has been  
40 replaced with a fee that complies with this section. Any development fee  
41 monies collected before January 1, 2012 remaining in a development fee  
42 account:

43 1. Shall be used towards the same category of necessary public  
44 services as authorized by this section.

1           2. If development fees were collected for a purpose not authorized by  
2 this section, shall be used for the purpose for which they were collected on  
3 or before January 1, 2020, and after which, if not spent, shall be  
4 distributed equally among the categories of necessary public services  
5 authorized by this section.

6           ~~M.~~ M. A moratorium shall not be placed on development for the sole  
7 purpose of awaiting completion of all or any part of the process necessary to  
8 develop, adopt or update development fees.

9           ~~N.~~ N. In any judicial action interpreting this section, all powers  
10 conferred on municipal governments in this section shall be narrowly  
11 construed to ensure that development fees are not used to impose on new  
12 residents a burden all taxpayers of a municipality should bear equally.

13           ~~O.~~ O. Each municipality that assesses development fees shall submit  
14 an annual report accounting for the collection and use of the fees for each  
15 service area. The annual report shall include the following:

16           1. The amount assessed by the municipality for each type of  
17 development fee.

18           2. The balance of each fund maintained for each type of development  
19 fee assessed as of the beginning and end of the fiscal year.

20           3. The amount of interest or other earnings on the monies in each fund  
21 as of the end of the fiscal year.

22           4. The amount of development fee monies used to repay:

23           (a) Bonds issued by the municipality to pay the cost of a capital  
24 improvement project that is the subject of a development fee assessment,  
25 including the amount needed to repay the debt service obligations on each  
26 facility for which development fees have been identified as the source of  
27 funding and the time frames in which the debt service will be repaid.

28           (b) Monies advanced by the municipality from funds other than the  
29 funds established for development fees in order to pay the cost of a capital  
30 improvement project that is the subject of a development fee assessment, the  
31 total amount advanced by the municipality for each facility, the source of  
32 the monies advanced and the terms under which the monies will be repaid to  
33 the municipality.

34           5. The amount of development fee monies spent on each capital  
35 improvement project that is the subject of a development fee assessment and  
36 the physical location of each capital improvement project.

37           6. The amount of development fee monies spent for each purpose other  
38 than a capital improvement project that is the subject of a development fee  
39 assessment.

40           ~~P.~~ P. Within ninety days following the end of each fiscal year, each  
41 municipality shall submit a copy of the annual report to the city clerk and  
42 post the report on the municipality's website or the website of an  
43 association of cities and towns if the municipality does not have a website.  
44 Copies shall be made available to the public on request. The annual report  
45 may contain financial information that has not been audited.

1           ~~P.~~ Q. A municipality that fails to file the report and post the  
2 report on the municipality's website or the website of an association of  
3 cities and towns if the municipality does not have a website as required by  
4 this section shall not collect development fees until the report is filed and  
5 posted.

6           ~~Q.~~ R. Any action to collect a development fee shall be commenced  
7 within two years after the obligation to pay the fee accrues.

8           ~~R.~~ S. A municipality may continue to assess a development fee adopted  
9 before January 1, 2012 for any facility that was financed before June 1, 2011  
10 if:

11           1. Development fees were pledged to repay debt service obligations  
12 related to the construction of the facility.

13           2. After August 1, 2014, any development fees collected under this  
14 subsection are used solely for the payment of principal and interest on the  
15 portion of the bonds, notes or other debt service obligations issued before  
16 June 1, 2011 to finance construction of the facility.

17           ~~S.~~ T. Through August 1, 2014, a development fee adopted before  
18 January 1, 2012 may be used to finance construction of a facility and may be  
19 pledged to repay debt service obligations if:

20           1. The facility that is being financed is a facility that is described  
21 under subsection ~~T.~~ U, paragraph 7, subdivisions (a) through (g) of this  
22 section.

23           2. The facility was included in an infrastructure improvements plan  
24 adopted before June 1, 2011.

25           3. The development fees are used for the payment of principal and  
26 interest on the portion of the bonds, notes or other debt service obligations  
27 issued to finance construction of the necessary public services or facility  
28 expansions identified in the infrastructure ~~improvement~~ IMPROVEMENTS plan.

29           ~~T.~~ U. For the purposes of this section:

30           1. "Dedication" means the actual conveyance date or the date an  
31 improvement, facility or real or personal property is placed into service,  
32 whichever occurs first.

33           2. "Development" means:

34           (a) The subdivision of land.

35           (b) The construction, reconstruction, conversion, structural  
36 alteration, relocation or enlargement of any structure that adds or increases  
37 the number of service units.

38           (c) Any use or extension of the use of land that increases the number  
39 of service units.

40           3. "Facility expansion" means the expansion of the capacity of an  
41 existing facility that serves the same function as an otherwise new necessary  
42 public service in order that the existing facility may serve new development.  
43 Facility expansion does not include the repair, maintenance, modernization or  
44 expansion of an existing facility to better serve existing development.

1           4. "Final approval" means:

2           (a) For a nonresidential or multifamily development, the approval of a  
3 site plan or, if no site plan is submitted for the development, the approval  
4 of a final subdivision plat.

5           (b) For a single family residential development, the approval of a  
6 final subdivision plat.

7           5. "Infrastructure improvements plan" means a written plan that  
8 identifies each necessary public service or facility expansion that is  
9 proposed to be the subject of a development fee and otherwise complies with  
10 the requirements of this section, and may be the municipality's capital  
11 improvements plan.

12           6. "Land use assumptions" means projections of changes in land uses,  
13 densities, intensities and population for a specified service area over a  
14 period of at least ten years and pursuant to the general plan of the  
15 municipality.

16           7. "Necessary public service" means any of the following facilities  
17 that have a life expectancy of three or more years and that are owned and  
18 operated by or on behalf of the municipality:

19           (a) Water facilities, including the supply, transportation, treatment,  
20 purification and distribution of water, and any appurtenances for those  
21 facilities.

22           (b) Wastewater facilities, including collection, interception,  
23 transportation, treatment and disposal of wastewater, and any appurtenances  
24 for those facilities.

25           (c) Storm water, drainage and flood control facilities, including any  
26 appurtenances for those facilities.

27           (d) Library facilities of up to ten thousand square feet that provide  
28 a direct benefit to development, not including equipment, vehicles or  
29 appurtenances.

30           (e) Street facilities located in the service area, including arterial  
31 or collector streets or roads that have been designated on an officially  
32 adopted plan of the municipality, traffic signals and rights-of-way and  
33 improvements thereon.

34           (f) Fire and police facilities, including all appurtenances, equipment  
35 and vehicles. Fire and police facilities do not include a facility or  
36 portion of a facility that is used to replace services that were once  
37 provided elsewhere in the municipality, vehicles and equipment used to  
38 provide administrative services, helicopters or airplanes or a facility that  
39 is used for training firefighters or officers from more than one station or  
40 substation.

41           (g) Neighborhood parks and recreational facilities on real property up  
42 to thirty acres in area, or parks and recreational facilities larger than  
43 thirty acres if the facilities provide a direct benefit to the development.  
44 Park and recreational facilities do not include vehicles, equipment or that  
45 portion of any facility that is used for amusement parks, aquariums, aquatic

1 centers, auditoriums, arenas, arts and cultural facilities, bandstand and  
2 orchestra facilities, bathhouses, boathouses, clubhouses, community centers  
3 greater than three thousand square feet in floor area, environmental  
4 education centers, equestrian facilities, golf course facilities,  
5 greenhouses, lakes, museums, theme parks, water reclamation or riparian  
6 areas, wetlands, zoo facilities or similar recreational facilities, but may  
7 include swimming pools.

8 (h) Any facility that was financed and that meets all of the  
9 requirements prescribed in subsection ~~R~~ S of this section.

10 8. "Qualified professional" means a professional engineer, surveyor,  
11 financial analyst or planner providing services within the scope of the  
12 person's license, education or experience.

13 9. "Service area" means any specified area within the boundaries of a  
14 municipality in which development will be served by necessary public services  
15 or facility expansions and within which a substantial nexus exists between  
16 the necessary public services or facility expansions and the development  
17 being served as prescribed in the infrastructure improvements plan.

18 10. "Service unit" means a standardized measure of consumption, use,  
19 generation or discharge attributable to an individual unit of development  
20 calculated pursuant to generally accepted engineering or planning standards  
21 for a particular category of necessary public services or facility  
22 expansions.

23 Sec. 2. Section 9-835, Arizona Revised Statutes, is amended to read:  
24 9-835. Licensing time frames; compliance; consequence for  
25 failure to comply with time frame; exception

26 A. For any new ordinance or code requiring a license, a municipality  
27 shall have in place an overall time frame during which the municipality will  
28 either grant or deny each type of license that it issues. The overall time  
29 frame for each type of license shall state separately the administrative  
30 completeness review time frame and the substantive review time frame.

31 B. On or before December 31, 2012, a municipality that issues licenses  
32 required under existing ordinances or codes shall have in place an overall  
33 time frame during which the municipality will either grant or deny each type  
34 of license that it issues. The overall time frame for each type of license  
35 shall state separately the administrative completeness review time frame and  
36 the substantive review time frame. Municipalities shall prioritize the  
37 establishment of time frames for those licenses that have the greatest impact  
38 on the public. **THE TIME FRAME FOR ISSUING OR DENYING MUNICIPAL BUILDING**  
39 **PERMITS TO ANY APPLICANT FOR ANY PROJECT WITHIN A COUNTY STADIUM DISTRICT**  
40 **ESTABLISHED WITHIN THE MUNICIPALITY PURSUANT TO SECTION 48-4202, SUBSECTION B**  
41 **SHALL NOT EXCEED THIRTY DAYS AFTER THE SUBMISSION OF A COMPLETE AND CORRECT**  
42 **APPLICATION.**

43 C. In establishing time frames, municipalities shall consider all of  
44 the following:

- 45 1. The complexity of the licensing subject matter.

- 1           2. The resources of the municipality.
- 2           3. The economic impact of delay on the regulated community.
- 3           4. The impact of the licensing decision on public health and safety.
- 4           5. The possible use of volunteers with expertise in the subject matter
- 5 area.
- 6           6. The possible increased use of general licenses for similar types of
- 7 licensed businesses or facilities.
- 8           7. The possible increased cooperation between the municipality and the
- 9 regulated community.
- 10          8. Increased municipal flexibility in structuring the licensing
- 11 process and personnel including:
- 12           (a) Adult businesses and other licenses that are related to the first
- 13 amendment.
- 14           (b) Master planned communities.
- 15           (c) Suspension of the substantive and overall time frames for purposes
- 16 including public hearings or state or federal licenses.
- 17          D. A municipality shall issue a written or electronic notice of
- 18 administrative completeness or deficiencies to an applicant for a license
- 19 within the administrative completeness review time frame. If the permit
- 20 sought requires approval of more than one department of the municipality,
- 21 each department may issue a written or electronic notice of administrative
- 22 completeness or deficiencies.
- 23          E. If a municipality determines that an application for a license is
- 24 not administratively complete, the municipality shall include a comprehensive
- 25 list of the specific deficiencies in the written or electronic notice
- 26 provided pursuant to subsection D **OF THIS SECTION**. If the municipality
- 27 issues a written or electronic notice of deficiencies within the
- 28 administrative completeness time frame, the administrative completeness
- 29 review time frame and the overall time frame are suspended from the date the
- 30 notice is issued until the date that the municipality receives the missing
- 31 information from the applicant. The municipality may issue an additional
- 32 written or electronic notice of administrative completeness or deficiencies
- 33 based on the applicant's submission of missing information. If the permit
- 34 sought requires approval of more than one department of the municipality,
- 35 each department may issue an additional written or electronic notice of
- 36 administrative completeness or deficiencies based on the applicant's
- 37 submission of missing information.
- 38          F. If a municipality does not issue a written or electronic notice of
- 39 administrative completeness or deficiencies within the administrative
- 40 completeness review time frame, the application is deemed administratively
- 41 complete. If a municipality issues a timely written or electronic notice of
- 42 deficiencies, an application shall not be complete until all requested
- 43 information has been received by the municipality.

1           G. During the substantive review time frame, a municipality may make  
2 one comprehensive written or electronic request for additional information.  
3 If the permit sought requires approval of more than one department of the  
4 municipality, each department may issue a written or electronic request for  
5 additional information. The municipality and applicant may mutually agree in  
6 writing or electronically to allow the municipality to submit supplemental  
7 requests for additional information. If a municipality issues a  
8 comprehensive written or electronic request or a supplemental request by  
9 mutual written or electronic agreement for additional information, the  
10 substantive review time frame and the overall time frame are suspended from  
11 the date the request is issued until the date that the municipality receives  
12 the additional information from the applicant.

13           H. By mutual written or electronic agreement, a municipality and an  
14 applicant for a license may extend the substantive review time frame and the  
15 overall time frame. An extension of the substantive review time frame and  
16 the overall time frame may not exceed twenty-five per cent of the overall  
17 time frame.

18           I. Unless a municipality and an applicant for a license mutually agree  
19 to extend the substantive review time frame and the overall time frame  
20 pursuant to subsection H **OF THIS SECTION**, a municipality shall issue a  
21 written or electronic notice granting or denying a license to an applicant.  
22 If a municipality denies an application for a license, the municipality shall  
23 include in the written or electronic notice at least the following  
24 information:

25           1. Justification for the denial with references to the statutes,  
26 ordinances, codes or substantive policy statements on which the denial is  
27 based.

28           2. An explanation of the applicant's right to appeal the denial. The  
29 explanation shall include the number of working days in which the applicant  
30 must file a protest challenging the denial and the name and telephone number  
31 of a municipal contact person who can answer questions regarding the appeals  
32 process.

33           J. If a municipality does not issue the applicant the written or  
34 electronic notice granting or denying a license within the overall time frame  
35 or within the mutually agreed upon time frame extension, the municipality  
36 shall refund to the applicant all fees charged for reviewing and acting on  
37 the application for the license and shall excuse payment of any fees that  
38 have not yet been paid. The municipality shall not require an applicant to  
39 submit an application for a refund pursuant to this subsection. The refund  
40 shall be made within thirty working days after the expiration of the overall  
41 time frame or the time frame extension. The municipality shall continue to  
42 process the application. Notwithstanding any other statute, the municipality  
43 shall make the refund from the fund in which the application fees were  
44 originally deposited.



1 K. This section does not apply to licenses issued within seven working  
2 days after receipt of the initial application or A permit that expire within  
3 twenty-one working days after issuance.

4 Sec. 3. Section 42-5031, Arizona Revised Statutes, is amended to read:  
5 42-5031. Distribution of multipurpose facility revenues to  
6 district

7 A. Subject to the requirements of subsection ~~D~~ C of this section, if  
8 a county stadium district is authorized by an election pursuant to section  
9 48-4237, subsection E, paragraph 5 to use the amounts paid to the district  
10 pursuant to subsection B of this section as permitted by law, then after  
11 delivery of a resolution of the district board of directors requesting  
12 payment, which resolution shall contain notice of the exercise of the option  
13 to begin payments provided for in this subsection, the state treasurer shall  
14 pay each month, beginning with the second calendar month after the optional  
15 payment commencement event contained in the resolution, from the amount  
16 designated as distribution base pursuant to section 42-5029, subsection D,  
17 the amount determined under subsection B of this section to the district.  
18 Payments under this section shall continue until July 1, 2025 or until the  
19 date all authorized debt service payments are completed as provided by  
20 section 48-4203, subsection B, paragraph 3, whichever date is earlier.

21 B. The amount to be paid each month under subsection A of this section  
22 is one-half of the amount of state transaction privilege tax revenues  
23 received in the second preceding calendar month from all persons conducting  
24 business under any business classification under this article at a  
25 multipurpose facility site, or in the construction of a multipurpose  
26 facility, the public or district owned components of which cost at least two  
27 hundred million dollars to construct. In no event shall the amount to be  
28 paid each month under this section exceed the net new state transaction  
29 privilege tax revenues received from the multipurpose facility site as  
30 compared to the revenues received in the same month during the twelve months  
31 prior to the month in which the public vote pursuant to section 48-4237 is  
32 held. ~~The amount paid to the district shall not exceed the amount required~~  
33 ~~to service the debts and obligations of the district and to meet the purposes~~  
34 ~~set forth in section 48-4204, subsection B.~~

35 ~~C. The primary component, as described in section 48-4201, shall be~~  
36 ~~constructed during the first phase of the project.~~

37 ~~D~~ C. To qualify for payments under this section, the municipality in  
38 which the multipurpose facility site is located must either obtain voter  
39 approval for a local transaction privilege tax to pay costs associated with a  
40 multipurpose facility, or make a financial commitment by intergovernmental  
41 agreement between the municipality and the district to make direct payments  
42 to the district from any lawful source, including municipal transaction  
43 privilege taxes or to expend monies for land, infrastructure or other  
44 improvements directly related to the multipurpose facility or the  
45 multipurpose facility site, by the end of the date referred to in subsection

1 A of this section in an aggregate amount equal to the amount received by the  
2 district pursuant to this section.

3 ~~E.~~ D. If the municipality in which the multipurpose facility site is  
4 located fails to satisfy the obligations of the municipality pursuant to  
5 subsection ~~D- C~~ of this section, ~~then~~ beginning six months after the date  
6 referred to in subsection A of this section, distributions otherwise payable  
7 to the municipality pursuant to section 42-5029, subsection C shall be  
8 reduced by an amount equal to the excess of the amount received by the  
9 district pursuant to this section over the amount paid or expended by the  
10 municipality. The amount of the reduction shall be distributed to the  
11 district to satisfy the financial commitment of the municipality pursuant to  
12 subsection ~~D- C~~ of this section.

13 ~~F.~~ E. To comply with the requirements of this section, the county  
14 stadium district board of directors or any city or town that is part of the  
15 county stadium district shall supply the department with all requested  
16 information necessary to administer this section.

17 Sec. 4. Section 42-6004, Arizona Revised Statutes, is amended to read:  
18 42-6004. Exemption from municipal tax

19 A. A city, town or special taxing district shall not levy a  
20 transaction privilege, sales, use or other similar tax on:

21 1. Exhibition events in this state sponsored, conducted or operated by  
22 a nonprofit organization that is exempt from taxation under section  
23 501(c)(3), 501(c)(4) or 501(c)(6) of the internal revenue code if the  
24 organization is associated with a major league baseball team or a national  
25 touring professional golfing association and no part of the organization's  
26 net earnings inures to the benefit of any private shareholder or individual.

27 2. Interstate telecommunications services, which include that portion  
28 of telecommunications services, such as subscriber line service, allocable by  
29 federal law to interstate telecommunications service.

30 3. Sales of warranty or service contracts.

31 4. Sales of motor vehicles to nonresidents of this state for use  
32 outside this state if the vendor ships or delivers the motor vehicle to a  
33 destination outside this state.

34 5. Interest on finance contracts.

35 6. Dealer documentation fees on the sales of motor vehicles.

36 7. Sales of food or other items purchased with United States  
37 department of agriculture food stamp coupons issued under the food stamp act  
38 of 1977 (P.L. 95-113; 91 Stat. 958) or food instruments issued under section  
39 17 of the child nutrition act (P.L. 95-627; 92 Stat. 3603; P.L. 99-661,  
40 section 4302; 42 United States Code section 1786) but may impose such a tax  
41 on other sales of food. If a city, town or special taxing district exempts  
42 sales of food from its tax or imposes a different transaction privilege rate  
43 on the gross proceeds of sales or gross income from sales of food and nonfood  
44 items, it shall use the definition of food prescribed by rule adopted by the  
45 department pursuant to section 42-5106.

1           8. Sales of internet access services to the person's subscribers and  
2 customers. For the purposes of this paragraph:

3           (a) "Internet" means the computer and telecommunications facilities  
4 that comprise the interconnected worldwide network of networks that employ  
5 the transmission control protocol or internet protocol, or any predecessor or  
6 successor protocol, to communicate information of all kinds by wire or radio.

7           (b) "Internet access" means a service that enables users to access  
8 content, information, electronic mail or other services over the internet.  
9 Internet access does not include telecommunication services provided by a  
10 common carrier.

11           9. The gross proceeds of sales or gross income retained by the Arizona  
12 exposition and state fair board from ride ticket sales at the annual Arizona  
13 state fair.

14           10. Through August 31, 2014, sales of Arizona centennial medallions by  
15 the historical advisory commission.

16           11. The gross proceeds of sales or gross income derived from a  
17 commercial lease in which a reciprocal insurer or a corporation leases real  
18 property to an affiliated corporation. For the purposes of this paragraph:

19           (a) "Affiliated corporation" means a corporation that meets one of the  
20 following conditions:

21           (i) The corporation owns or controls at least eighty per cent of the  
22 lessor.

23           (ii) The corporation is at least eighty per cent owned or controlled  
24 by the lessor.

25           (iii) The corporation is at least eighty per cent owned or controlled  
26 by a corporation that also owns or controls at least eighty per cent of the  
27 lessor.

28           (iv) The corporation is at least eighty per cent owned or controlled  
29 by a corporation that is at least eighty per cent owned or controlled by a  
30 reciprocal insurer.

31           (b) For the purposes of subdivision (a) of this paragraph, ownership  
32 and control are determined by reference to the voting shares of a  
33 corporation.

34           (c) "Reciprocal insurer" has the same meaning prescribed in section  
35 20-762.

36           12. The gross proceeds of sales or gross income derived from a  
37 commercial lease in which a corporation leases real property to a corporation  
38 of which at least eighty per cent of the voting shares of each corporation  
39 are owned by the same shareholders.

40           B. A city, town or other taxing jurisdiction shall not levy a  
41 transaction privilege, sales, use, franchise or other similar tax or fee,  
42 however denominated, on natural gas or liquefied petroleum gas used to propel  
43 a motor vehicle.

44           C. A city, town or other taxing jurisdiction shall not levy a  
45 transaction privilege, sales, gross receipts, use, franchise or other similar

1 tax or fee, however denominated, on gross proceeds of sales or gross income  
2 derived from any of the following:

3 1. A motor carrier's use on the public highways in this state if the  
4 motor carrier is subject to a fee prescribed in title 28, chapter 16,  
5 article 4.

6 2. Leasing, renting or licensing a motor vehicle subject to and upon  
7 which the fee has been paid under title 28, chapter 16, article 4.

8 3. The sale of a motor vehicle and any repair and replacement parts  
9 and tangible personal property becoming a part of such motor vehicle to a  
10 motor carrier who is subject to a fee prescribed in title 28, chapter 16,  
11 article 4 and who is engaged in the business of leasing, renting or licensing  
12 such property.

13 4. Incarcerating or detaining in a privately operated prison, jail or  
14 detention facility prisoners who are under the jurisdiction of the United  
15 States, this state or any other state or a political subdivision of this  
16 state or of any other state.

17 5. Transporting for hire persons, freight or property by light motor  
18 vehicles subject to a fee under title 28, chapter 15, article 4.

19 6. Any amount attributable to development fees that are incurred in  
20 relation to the construction, development or improvement of real property and  
21 paid by the taxpayer as defined in the model city tax code or by a contractor  
22 providing services to the taxpayer. For the purposes of this paragraph:

23 (a) The attributable amount shall not exceed the value of the  
24 development fees actually imposed.

25 (b) The attributable amount is equal to the total amount of  
26 development fees paid by the taxpayer or by a contractor providing services  
27 to the taxpayer and the total development fees credited in exchange for the  
28 construction of, contribution to or dedication of real property for providing  
29 public infrastructure, public safety or other public services necessary to  
30 the development. The real property must be the subject of the development  
31 fees.

32 (c) "Development fees" means fees imposed to offset capital costs of  
33 providing public infrastructure, public safety or other public services to a  
34 development and authorized pursuant to section 9-463.05, section 11-1102 or  
35 title 48 regardless of the jurisdiction to which the fees are paid.

36 D. A city, town or other taxing jurisdiction shall not levy a  
37 transaction privilege, sales, use, franchise or other similar tax or fee,  
38 however denominated, in excess of one-tenth of one per cent of the value of  
39 the entire product mined, smelted, extracted, refined, produced or prepared  
40 for sale, profit or commercial use, on persons engaged in the business of  
41 mineral processing, except to the extent that the tax is computed on the  
42 gross proceeds or gross income from sales at retail.

43 E. In computing the tax base, any city, town or other taxing  
44 jurisdiction shall not include in the gross proceeds of sales or gross  
45 income:

1           1. A manufacturer's cash rebate on the sales price of a motor vehicle  
2 if the buyer assigns the buyer's right in the rebate to the retailer.

3           2. The waste tire disposal fee imposed pursuant to section 44-1302.

4           3. RETAIL SALES CONDUCTED AT A BUSINESS LOCATED IN A COUNTY STADIUM  
5 DISTRICT ESTABLISHED PURSUANT TO SECTION 48-4202, SUBSECTION B THAT AFTER  
6 JANUARY 1, 2013 IS IMPROVED BY THE CONSTRUCTION OF NEW OR EXPANDED FIXED  
7 CAPITAL ASSETS EQUAL TO AT LEAST FIFTY PER CENT OF THE ORIGINAL FULL CASH  
8 VALUE OF THE PROPERTY AS DETERMINED BY THE COUNTY ASSESSOR. THE EXEMPTION  
9 UNDER THIS PARAGRAPH APPLIES WITH RESPECT TO THE TAXPAYER THAT MADE THE  
10 INITIAL CAPITAL INVESTMENT, AND EXPIRES ON THE SALE OR TRANSFER OF THE  
11 PROPERTY TO ANOTHER OWNER. THE AMOUNT OF THE EXEMPTION UNDER THIS PARAGRAPH  
12 IS DETERMINED AS FOLLOWS:

13           (a) FOR THE FIRST 120 CONSECUTIVE MONTHS BEGINNING AFTER THE  
14 MUNICIPALITY ISSUES A CERTIFICATE OF OCCUPANCY FOR THE CAPITAL IMPROVEMENTS,  
15 THE EXEMPTION IS ONE HUNDRED PER CENT OF THE GROSS PROCEEDS OF SALES AT THE  
16 LOCATION.

17           (b) FOR THE 121<sup>ST</sup> THROUGH THE 132<sup>ND</sup> MONTHS, THE EXEMPTION IS EIGHTY PER  
18 CENT OF THE GROSS PROCEEDS OF SALES AT THE LOCATION.

19           (c) FOR THE 133<sup>RD</sup> THROUGH THE 144<sup>TH</sup> MONTHS, THE EXEMPTION IS SIXTY PER  
20 CENT OF THE GROSS PROCEEDS OF SALES AT THE LOCATION.

21           (d) FOR THE 145<sup>TH</sup> THROUGH THE 156<sup>TH</sup> MONTHS, THE EXEMPTION IS FORTY PER  
22 CENT OF THE GROSS PROCEEDS OF SALES AT THE LOCATION.

23           (e) FOR THE 157<sup>TH</sup> THROUGH THE 168<sup>TH</sup> MONTHS, THE EXEMPTION IS TWENTY PER  
24 CENT OF THE GROSS PROCEEDS OF SALES AT THE LOCATION.

25           (f) THEREAFTER, THE EXEMPTION IS ZERO.

26           F. A city or town shall not levy a use tax on the storage, use or  
27 consumption of tangible personal property in the city or town by a school  
28 district or charter school.

29           Sec. 5. Title 42, chapter 13, article 7, Arizona Revised Statutes, is  
30 amended by adding section 42-13305, to read:

31           42-13305. Property located in county stadium district

32           A. THIS SECTION APPLIES ONLY TO REAL PROPERTY AND IMPROVEMENTS THAT  
33 ARE CLASSIFIED AS CLASS ONE PURSUANT TO SECTION 42-12001, LOCATED IN A COUNTY  
34 STADIUM DISTRICT ESTABLISHED PURSUANT TO SECTION 48-4202, SUBSECTION B AND  
35 THAT AFTER JANUARY 1, 2013 ARE IMPROVED BY THE CONSTRUCTION OF NEW OR  
36 EXPANDED FIXED CAPITAL ASSETS EQUAL TO AT LEAST FIFTY PER CENT OF THE  
37 ORIGINAL FULL CASH VALUE OF THE PROPERTY.

38           B. BEGINNING WITH THE VALUATION YEAR IN WHICH THE MUNICIPALITY ISSUES  
39 A CERTIFICATE OF OCCUPANCY FOR THE CAPITAL IMPROVEMENTS AND FOR NINE  
40 CONSECUTIVE VALUATION YEARS THEREAFTER, THE COUNTY ASSESSOR SHALL VALUE  
41 PROPERTY THAT MEETS THE REQUIREMENTS OF SUBSECTION A OF THIS SECTION AT THE  
42 SAME FULL CASH VALUE DETERMINED FOR THE VALUATION YEAR IMMEDIATELY PRECEDING  
43 THE YEAR IN WHICH THE MUNICIPALITY ISSUES THE CERTIFICATE OF OCCUPANCY.

1 C. FOR FIVE CONSECUTIVE VALUATION YEARS AFTER THE LAST YEAR TO WHICH  
2 SUBSECTION B OF THIS SECTION APPLIES TO THE PROPERTY, THE ASSESSOR SHALL  
3 ANNUALLY INCREASE THE PROPERTY'S FULL CASH VALUE BY EQUAL TWENTY PER CENT  
4 INCREMENTS. THEREAFTER, THE PROPERTY IS SUBJECT TO VALUATION AT ITS CURRENT  
5 FULL CASH VALUE AS PROVIDED BY LAW.

6 Sec. 6. Section 48-4201, Arizona Revised Statutes, is amended to read:  
7 48-4201. Definitions

8 In this chapter, unless the context otherwise requires:

9 1. "Board" means the board of directors of any district established  
10 under section 48-4202, subsection A, B or C.

11 2. "Bond" means any obligation authorized and issued pursuant to this  
12 chapter, including bonds, lease-purchase and installment purchase agreements,  
13 certificates of participation in a lease-purchase or installment purchase  
14 agreement and obligations that are authorized and issued to refund or  
15 refinance obligations that are authorized and issued pursuant to this  
16 chapter.

17 3. "District" means any county stadium district established pursuant  
18 to section 48-4202, subsection A, B or C.

19 4. "Multipurpose facility" means any facility or facilities that  
20 include:

21 (a) A primary component that is located in the district on the  
22 multipurpose facility site and on lands that are adjacent to each other or  
23 separated by public rights-of-way, ~~that the district owns or leases~~ and that  
24 is used to accommodate sporting, entertainment, cultural, civic, meeting,  
25 trade show or convention events or activities, fire, police or other public  
26 safety facilities and tourism offices. The primary component may not include  
27 any structure or part of a structure that is used or designed for use as a  
28 county, city or town hall, as meeting space for the county, city or town  
29 governing body or for general municipal administrative office space other  
30 than for the administration, maintenance and operation of the multipurpose  
31 facility.

32 (b) Secondary components that are located in the district and that the  
33 board determines are necessary or beneficial to the ~~primary component,~~  
34 ~~limited to~~ DISTRICT, INCLUDING on-site infrastructure, artistic components,  
35 parking garages and lots, and public parks and plazas. In addition,  
36 secondary components may include related commercial facilities that are  
37 located within the multipurpose facility site AND ANY OTHER COMMERCIAL REAL  
38 ESTATE DEVELOPMENT PROJECT IF THE PROJECT WILL BENEFIT THE DISTRICT AND WILL  
39 INCREASE EMPLOYMENT AND TAX REVENUE WITHIN THE DISTRICT. THE SECONDARY  
40 COMPONENT MAY INCLUDE A REAL ESTATE PARCEL THAT IS PARTIALLY WITHIN AND  
41 PARTIALLY OUTSIDE THE DISTRICT BOUNDARIES.

42 5. "Multipurpose facility site" means the geographic area within the  
43 district which is depicted in the publicity pamphlet for an election held  
44 pursuant to section 48-4237.

1           6. "Municipality" means a city or town that is incorporated or  
2 chartered under the constitution and laws of this state.

3           7. "Stadium" means a sports facility or facilities located in the  
4 district and designed to accommodate, but not be limited to, major league  
5 baseball events or intercollegiate athletic events.

6           Sec. 7. Section 48-4202, Arizona Revised Statutes, is amended to read:  
7 48-4202. Formation of district

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

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

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

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

3 E. The board of directors of a district established under subsection B  
4 of this section shall consist of:

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

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

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

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

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

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

34 I. Subject to limitations imposed by this chapter, by  
35 intergovernmental agreement and by the ordinance or resolution authorizing  
36 the formation of the district, the district is a tax levying public  
37 improvement district and a political taxing subdivision of this state and has  
38 all the powers, privileges and immunities granted generally to municipal  
39 corporations for the purposes of implementing this chapter, including:

40 1. Eminent domain, as provided by section 48-4203, subsection A,  
41 paragraph 7. ~~and~~

42 2. Immunity of its property, bonds and interest on and transfer of its  
43 bonds from taxation.



1           3. EXEMPTION FROM THE PROVISIONS OF ARTICLE IX, SECTION 7,  
2 CONSTITUTION OF ARIZONA, AS PROVIDED BY ARTICLE XIII, SECTION 7, CONSTITUTION  
3 OF ARIZONA.

4           Sec. 8. Section 48-4203, Arizona Revised Statutes, is amended to read:  
5           48-4203. Powers and duties of board of directors; conflict of  
6                     interest

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

8           1. Adopt and use a corporate seal.

9           2. Sue and be sued.

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

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

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

19          6. Employ an executive director and administrative and clerical  
20 employees, or contract for other management personnel, and prescribe the  
21 terms and conditions of their employment as necessary to carry out the  
22 purposes of the district.

23          7. Acquire by any lawful means and operate, maintain, encumber and  
24 dispose of real and personal property and interests in property. A district  
25 established under section 48-4202, subsection A may acquire real property by  
26 eminent domain. A district established under section 48-4202, subsection B  
27 shall not acquire real property by eminent domain. A district established  
28 under section 48-4202, subsection C shall not acquire or own real property or  
29 interests in real property.

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

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

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

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

41          2. Enter into agreements with developers, contractors, tenants and  
42 other users of all or part of a multipurpose facility as determined  
43 appropriate.

44          3. Pledge all or part of the revenues described in section 42-5031,  
45 subsection B to secure the district's bonds or other financial obligations

1 issued or incurred under this chapter for the construction of all or part of  
2 a multipurpose facility.

3 4. ENTER INTO CONTRACTS, AGREEMENTS AND OTHER TRANSACTIONS THAT MAY  
4 SURVIVE THE DISTRICT'S TERMINATION. SUCH A TRANSACTION MUST INCLUDE  
5 PROVISIONS FOR THE SUCCESSION TO THE DISTRICT'S INTEREST UNTIL ALL OF THE  
6 OBLIGATIONS AND INTERESTS OF THE DISTRICT ARE SATISFIED.

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

10 1. Presentations to the governing bodies of the municipalities in the  
11 county in which the district is located.

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

13 3. Printed or electronic materials that support the purposes of this  
14 subsection.

15 D. The board of directors shall:

16 1. Appoint from among its members a chairman, a secretary and such  
17 other officers as may be necessary to conduct its business. The board of  
18 directors may appoint the chief financial officer of the county as the  
19 district treasurer of a countywide district established under section  
20 48-4202, subsection A. If the board does not appoint the chief financial  
21 officer, the county treasurer is designated ex officio as the treasurer. The  
22 board of directors of a district that is established pursuant to section  
23 48-4202, subsection B shall designate a member of the board with financial  
24 management or accounting experience or a person with whom the board has  
25 contracted for financial management as treasurer of the district. The county  
26 treasurer is designated ex officio as the treasurer of a district that is  
27 established pursuant to section 48-4202, subsection C.

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

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

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

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

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

1 Sec. 9. Section 48-4204, Arizona Revised Statutes, is amended to read:  
2 48-4204. Constructing and operating a stadium and other  
3 structures; regulating alcoholic beverages

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

20 B. From the taxes and charges levied or identified pursuant to section  
21 48-4237 for use with respect to multipurpose facilities and from other monies  
22 lawfully available to the district, the district may acquire land and  
23 construct, finance, furnish, maintain, improve, operate, market and promote  
24 the use of multipurpose facilities and other structures, utilities, roads,  
25 parking areas or buildings necessary for full use of the multipurpose  
26 facilities and do all things necessary or convenient to accomplish those  
27 purposes. Public funds identified in section 48-4237, including funds  
28 distributed pursuant to section 42-5031, may only be used for the components  
29 for a multipurpose facility which are owned by the district or which are  
30 publicly owned, except that monies paid to the district pursuant to section  
31 42-5031 may only be used for the following purposes until a notice to proceed  
32 is issued for a hotel and convention center ~~located on~~ AS A PRIMARY OR  
33 ~~SECONDARY COMPONENT OF~~ the multipurpose facility ~~site~~ AS DEFINED IN SECTION  
34 48-4201, PARAGRAPH 4, SUBDIVISION (a) OR (b):

- 35 1. Debt service for bonds issued by the district before January 1,  
36 2009.
- 37 2. Contractual obligations incurred by the district before June 1,  
38 2009.
- 39 3. Fiduciary, reasonable legal and administrative expenses of the  
40 district.
- 41 4. The design and construction of the hotel and convention center  
42 ~~located on the multipurpose facility site.~~

43 C. ANY COMPONENT OF THE MULTIPURPOSE FACILITY OR OTHER COMMERCIAL REAL  
44 ESTATE DEVELOPMENT UNDER SUBSECTION B OF THIS SECTION MAY INCLUDE  
45 PRIVATELY-OWNED PROJECTS AS FOLLOWS:

- 1           1. THE PROJECT MUST COMPLY WITH ALL APPLICABLE MUNICIPAL CODES.
- 2           2. IN THE BOARD'S JUDGMENT, THE PROJECT MUST EITHER:
- 3           (a) SUBSTANTIALLY INCREASE TAX REVENUE, EMPLOYMENT OR PUBLIC
- 4 PEDESTRIAN TRAFFIC AT THE PROJECT SITE.
- 5           (b) CREATE AN EXTRAORDINARY INCREASE IN TAX REVENUE, EMPLOYMENT OR
- 6 PUBLIC PEDESTRIAN TRAFFIC THROUGHOUT ALL OR PART OF THE DISTRICT.
- 7           3. ANY FINANCIAL ASSISTANCE FOR THE PROJECT MAY NOT VIOLATE ARTICLE
- 8 IX, SECTION 7, CONSTITUTION OF ARIZONA, RELATING TO DONATIONS OR GRANTS OF
- 9 PUBLIC MONIES.
- 10          4. THE DEVELOPER MAY TRANSFER TO THE DISTRICT, AND THE DISTRICT MAY
- 11 ACCEPT AND HOLD ONE OR MORE CONSERVATION EASEMENTS OVER THE PROJECT PURSUANT
- 12 TO TITLE 33, CHAPTER 2, ARTICLE 4 IN RETURN FOR FINANCIAL ASSISTANCE FROM THE
- 13 DISTRICT TO THE PROJECT.
- 14          5. THE DISTRICT MAY LOAN MONEY TO FINANCE THE PROJECT, INCLUDING LOANS
- 15 THAT MAY BE REPAID BY CREDITING AGAINST THE LOAN THE INCREMENTAL PERIODIC
- 16 AMOUNTS OF TRANSACTION PRIVILEGE TAX REVENUE COLLECTED BY ALL TAXING
- 17 JURISDICTIONS FROM THE DEVELOPMENT THAT EXCEED THE TRANSACTION PRIVILEGE TAX
- 18 REVENUE COLLECTED BY ALL TAXING JURISDICTIONS BEFORE THE DEVELOPMENT WAS
- 19 BEGUN.
- 20          ~~E~~. D. A district established pursuant to section 48-4202, subsection
- 21 B may not use monies distributed pursuant to section 42-5031 for the salaries
- 22 or compensation of any employee of the municipality in which the district is
- 23 located.
- 24          ~~D~~. E. Pursuant to AN intergovernmental agreement with the Arizona
- 25 board of regents, from the revenues collected from assessments pursuant to
- 26 section 48-4235 for use with respect to Arizona board of regents owned
- 27 intercollegiate athletic facilities, the district may construct, reconstruct,
- 28 finance, furnish, maintain and improve existing intercollegiate athletic
- 29 facilities located on Arizona board of regents' property, including
- 30 utilities, roads, parking areas or buildings necessary for full use of the
- 31 athletic facilities.
- 32          ~~E~~. F. Title 34 applies to the district, except that regardless of the
- 33 funding source for design and construction of facilities and structures the
- 34 district may establish alternative systems and procedures, including the use
- 35 of the design-build method of construction or the use of qualifications-based
- 36 selection of contractors with experience in stadium design or construction,
- 37 to expedite the design and construction or reconstruction of any of its
- 38 facilities or structures or any facilities or structures leased to it or used
- 39 by it pursuant to an intergovernmental agreement. For the purposes of this
- 40 subsection:
- 41           1. "Design-build" means a process of entering into and managing a
- 42 contract between the district and another party in which the other party
- 43 agrees to both design and build a structure, a facility or other items
- 44 specified in the contract.

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

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

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

15           Sec. 10. Section 48-4231.01, Arizona Revised Statutes, is amended to  
16 read:

17           48-4231.01. Financial and performance audits of districts  
18   owning multipurpose facilities; appearance before  
19   joint committee on capital review

20           A. Beginning in 2010 and every three years thereafter, the auditor  
21 general shall contract with an independent auditor to conduct a performance  
22 audit as defined in section 41-1278, including a financial audit, of each  
23 district organized under section 48-4202, subsection B. The independent  
24 auditor must have national status with expertise in evaluating public  
25 construction, ownership and management of capital improvements that include  
26 hospitality, convention and sports venue facilities. The audit must be  
27 completed within one hundred twenty days after the end of the fiscal year.

28           B. The audit shall include consideration of:

29           1. Capital costs, including debt service, of the multipurpose facility  
30 and other assets of the district.

31           2. The level of the district's indebtedness, the amount of principal,  
32 interest and other debt service expenses paid in the preceding fiscal year  
33 and the remaining term to maturity with respect to each outstanding bond  
34 issue.

35           3. Operation and maintenance costs of the multipurpose facility and  
36 other assets of the district.

37           4. The district's overall expenditures in the preceding fiscal year,  
38 including:

39           (a) The level of expenses for administration, planning, travel and  
40 entertainment.

41           (b) The success of those expenditures in supporting and achieving the  
42 district's purposes.

1           5. A description of and the amount of municipal payments pursuant to  
2 section 42-5031, subsection ~~B~~ C during the preceding fiscal year and the  
3 cumulative amount of those payments through the end of the preceding fiscal  
4 year.

5           6. The public use of each component of the multipurpose facility.

6           7. Revenues derived from each component of the multipurpose facility  
7 and other revenues of the district by source.

8           8. District projects that are currently under construction and that  
9 are included in the district's plans for capital improvements and investment.

10          C. The audit shall make findings and recommendations regarding the  
11 construction, financing, operation and maintenance of each component of the  
12 multipurpose facility, including whether the facility exceeds, meets or fails  
13 to meet nationally recognized design and performance standards.

14          D. The district and the board of directors shall cooperate with and  
15 submit to the auditor general and the auditor contracted to conduct the audit  
16 information necessary to conduct and complete the audit in a timely manner.

17          E. Within forty-five days after the audit is released, the board of  
18 directors shall:

19           1. Hold a public hearing on the audit's findings and recommendations  
20 and allow any person to make or submit oral or written comments on the audit.

21           2. By majority vote adopt a public response agreeing, agreeing with  
22 reservations or disagreeing with each finding and recommendation in the  
23 audit.

24          F. The auditor general shall distribute copies of the audit and the  
25 board of director's response to:

26           1. The mayor and governing body of the municipality in which the  
27 district is located.

28           2. The governor.

29           3. The president of the senate and the speaker of the house of  
30 representatives.

31           4. The department of revenue and the state treasurer.

32           5. The secretary of state.

33           6. Any other person who requests a copy of the audit.

34          G. The cost incurred by the auditor general in contracting with  
35 independent auditors under this section is an operating expense of the  
36 district and shall be paid from revenues payable to the district pursuant to  
37 section 42-5031. The auditor general shall deposit the payments in the audit  
38 services revolving fund established by section 41-1279.06.

39          H. At the request of the chairperson of the Joint committee on capital  
40 review, the executive director or a representative of the board of directors  
41 shall appear before the joint committee on capital review to report on any  
42 aspect of the district's operation, including the activities and financial  
43 performance of the district during the previous fiscal year, the district's  
44 plans for capital improvements and investment and the district's response to  
45 the audit conducted under this section.

1           Sec. 11. Section 48-4237, Arizona Revised Statutes, is amended to  
2 read:

3           48-4237. Transaction privilege tax; multipurpose facilities;  
4                                 rate; administration

5           A. The board of directors of a district established pursuant to  
6 section 48-4202, subsection B by resolution may seek authority for the  
7 district to levy a transaction privilege tax for multipurpose facilities or  
8 other taxes or charges pursuant to subsection E of this section, in addition  
9 to or in lieu of other revenues collected pursuant to this article, to be  
10 used and spent for the purposes described in section 48-4204, subsection B  
11 ~~for the multipurpose facilities.~~

12           B. The board of directors shall present the question to the governing  
13 bodies of the participating municipalities. The district is exempt from  
14 section 16-226. The governing body of each municipality by resolution may  
15 approve the district's request to place a question seeking authority for the  
16 district to levy a multipurpose facilities district transaction privilege tax  
17 solely within the district, or to impose other taxes or charges pursuant to  
18 subsection E of this section on the ballot of an election pursuant to this  
19 section held on the same date or on the same ballot as the regularly  
20 scheduled election of one or more of the participating municipalities or the  
21 state or on any of the four dates prescribed by section 16-204. If the  
22 governing body of each municipality approves the district's request for an  
23 election, and if a majority of the qualified electors from each municipality  
24 voting at the election approves the multipurpose facilities district  
25 transaction privilege tax or other taxes or charges pursuant to subsection E  
26 of this section, the board by resolution may levy and, if levied, the  
27 department of revenue shall collect a transaction privilege tax solely within  
28 the district pursuant to this section or other taxes or charges pursuant to  
29 subsection E of this section to be used and spent for the purposes described  
30 in section 48-4204, subsection B for the multipurpose facilities. If a  
31 question fails to receive a majority approval among the voters in one  
32 municipality, but receives a majority approval among the voters in at least  
33 two other municipalities, the governing bodies of the approving  
34 municipalities, by majority vote of each governing body, may elect to form a  
35 new district and authorize the district to levy the tax solely within the  
36 boundaries of the new district subject to the conditions authorized by the  
37 voters in the election.

38           C. The board shall state on the ballot the purpose of the tax, the  
39 maximum rate of the tax and the maximum number of years for which the tax  
40 will be authorized. The tax shall terminate upon the expiration of the years  
41 authorized or the completion of the purpose specified in the ballot,  
42 whichever is earlier. The rate of tax shall not exceed the limits prescribed  
43 by this section. The ballot question may propose to authorize the district  
44 to levy and collect taxes and charges pursuant to subsection E of this  
45 section.

1           D. The board shall set the rate of the tax at not more than five per  
2 cent of the transaction privilege tax rate prescribed by section 42-5010,  
3 subsection A applying on January 1, 1990 to each person engaging or  
4 continuing in the district in a business taxed under title 42, chapter 5,  
5 article 1, or in the case of persons subject to the tax imposed under section  
6 42-5352, subsection A, at a rate of not more than .1525 cents per gallon of  
7 jet fuel sold.

8           E. If authorized by an election held pursuant to this section, the  
9 board may:

10           1. Pledge all or part of the revenues from a tax under this section to  
11 secure the district's bonds or other financial obligations issued or incurred  
12 under this chapter for the multipurpose facilities.

13           2. Pledge all or part of the incremental increase in the municipal  
14 transaction privilege taxes generated in all or a designated geographic area  
15 of the district during a period of time before, during and after any  
16 specified national championship sporting event or international games hosted  
17 in the multipurpose facilities to secure the district's bonds or other  
18 financial obligations issued or incurred under this chapter for the  
19 construction of the multipurpose facilities.

20           3. Impose a surcharge pursuant to the procedures and limits of section  
21 48-4234 in all or a designated geographic area of the district during a  
22 period of time before, during and after any specified national championship  
23 sporting event or international games hosted in the multipurpose facilities  
24 except that a car rental surcharge imposed pursuant to this paragraph shall  
25 not apply to the lease or rental of a motor vehicle as a replacement vehicle  
26 owned by the lessee for personal use. For the purposes of this paragraph,  
27 "replacement vehicle" means a vehicle loaned by a motor vehicle repair  
28 facility or dealer, or that an individual rents temporarily, to use while a  
29 vehicle owned by the individual is not in use because of breakdown, repair,  
30 service, damage, or loss as defined in the individual's applicable private  
31 passenger automobile insurance policy.

32           4. Levy and, if levied, the department of revenue shall collect a tax  
33 at a rate of not to exceed one per cent of the gross proceeds of sales or  
34 gross income from the business of every person engaging or continuing in the  
35 district in a business taxed under sections 42-5070 and 42-5074 during a  
36 period of time before, during and after any specified national championship  
37 sporting event or international games hosted in the multipurpose facilities  
38 to secure the district's bonds or other financial obligations issued or  
39 incurred under this chapter for the construction of the multipurpose  
40 facilities.

41           5. Use amounts paid to the district pursuant to section 42-5031 and  
42 received from the multipurpose facility site the boundaries or boundary  
43 amendment of which are described in the publicity pamphlet as allowed by law,  
44 including securing the district's bonds or other financial obligations issued



1 or incurred under this chapter for the construction of the multipurpose  
2 facilities ~~which are owned by the district or which are publicly owned.~~

3 F. Unless the context otherwise requires, section 42-6102 governs the  
4 administration of any tax imposed under this section.

5 G. Each month the state treasurer shall remit to the district  
6 treasurer the net revenues collected under this section during the second  
7 preceding month. The district treasurer shall deposit the monies in the  
8 stadium district fund. Revenues from a tax under this section shall not be  
9 commingled with revenues collected pursuant to this article for any other  
10 purpose but shall be separately accounted for and used solely with respect to  
11 uses authorized in section 48-4204, subsection B.

12 H. In addition to other requirements prescribed by law, the board  
13 shall prepare, print and distribute publicity pamphlets concerning the  
14 proposed issue to be submitted to the voters. The board shall distribute one  
15 copy of the publicity pamphlet at least ten but not more than thirty days  
16 before the election to each household containing a registered voter in the  
17 district. The publicity pamphlet shall contain all of the following:

- 18 1. The date of the election.
- 19 2. The location of the polling places and the times the polling places  
20 will be open.
- 21 3. A true copy of the title and text of the resolution proposing the  
22 tax.
- 23 4. A summary of the purposes for which the tax is proposed to be  
24 levied and a description of the multipurpose facilities.
- 25 5. The estimated cost of the multipurpose facility to be financed.
- 26 6. An estimate of the annual amount of revenues to be raised from the  
27 proposed tax.
- 28 7. The geographic area, time period and amount of any tax, tax  
29 distribution, or surcharge proposed under subsection E of this section.

30 (NOT ENACTED)

31 Sec. 12. Emergency

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