Chapter 93

House Bill 2067

An Act

Relating to County Improvement Districts.

(Text of bill begins on next page)
Be it enacted by the Legislature of the State of Arizona:

Section 1. County improvement district providing recreational improvements; separate governance; board of directors; powers and duties; records; expiration; delayed repeal; definitions

A. The board of supervisors of a county with a population of less than one hundred twenty-five thousand persons and a county improvement district providing recreational improvements may provide for the district to be governed by a separately elected three-member or five-member board of directors. After public notice and a hearing on the matter, if the board of supervisors determines that separate governance would provide a public benefit, the board of supervisors shall adopt a resolution that specifies the public benefit and specifies the powers and duties of and other provisions of this section that apply to the separately governed district and that describes the boundaries of the district. The change in governance is effective on adoption of the resolution and appointment of the initial members of the board of directors. The board of supervisors shall appoint the initial members of the board of directors and must select them from among the qualified electors of the district. After the initial directors are appointed by the board of supervisors, the subsequent directors shall be elected by the qualified electors of the district.

B. Immediately after the selection and qualification of the initial directors of the board, the directors shall meet and divide themselves by lot into two classes as nearly equal in number as possible. Directors of the first class shall serve for a term of four years and directors of the second class shall serve for a term of two years. Every director shall continue to discharge the duties of office until a successor is appointed and qualifies. Thereafter, at each regular election, one director for each expired term shall be elected and shall hold office for a term of four years, and until a successor is elected and qualifies.

C. If a vacancy on the district board occurs due to disability or any other cause other than resignation, the board of directors of the district shall appoint a qualified elector of the district to fill the office for the remaining portion of that term. If there is a vacancy on the district board due to resignation, the district board shall accept the resignation and appoint a qualified elector to fill the remaining portion of that term of office. If the district board lacks a quorum for any reason for more than thirty days, the county board of supervisors may revoke the authority of the appointed or elected board of directors pursuant to subsection M of this section.

D. The board of directors shall annually elect a chairperson from among its members.

E. If only one person files or no person files a nominating petition for election to fill a position on the board of directors of the
district, the county board of supervisors, by resolution, may cancel the
election for that office and appoint the person who filed the nominating
petition to fill that position. If no person files a nominating petition
for an election to fill a district board office, the county board of
supervisors, by resolution, may cancel the election for those offices and
those offices are deemed vacant and shall be filled as otherwise provided
by law. A person who is appointed pursuant to this section is fully
vested with the powers and duties of the office as if elected to that
office.

F. On adoption of the resolution and appointment of the initial
members of the board of directors, the newly created board of directors
has the powers granted to a district pursuant to title 48, chapter 6,
article 1, Arizona Revised Statutes.

G. Additions to and alterations of the boundaries of the district
shall be made in the manner provided to establish the district, except
that notification shall be published in a newspaper of general circulation
within the district, petitions shall be filed with the district board and
all actions related to a proposed boundary change are the responsibility
of the district board.

H. On approval of any boundary change of the district, the district
board may order the successful petitioners to pay all of the costs of the
boundary change.

I. The board shall appoint a clerk and establish and make known an
office and mailing address for the clerk. The district shall keep the
following records that shall be open to public inspection:

1. Minutes of all meetings of the district board.
2. All resolutions.
3. Accounts showing all monies received and disbursed.
4. The annual budget.
5. All other records required to be maintained by law.

J. The board of directors shall comply with title 38, chapter 3,
article 3.1, Arizona Revised Statutes, as a separate political
subdivision, and the members of the board of directors are deemed public
officers for the purposes of and shall comply with title 38, chapter 3,
article 8, Arizona Revised Statutes.

K. If the district board of directors includes any initial members
who were appointed by the board of supervisors, the district board of
directors shall submit the district's budget annually to the board of
supervisors for approval. The board of supervisors has veto authority
over financial transactions submitted by the board of directors pursuant
to this subsection.

L. If the board of directors is elected, the board of supervisors
may review and comment but does not have veto authority over financial
transactions of the board of directors that is elected pursuant to this
section.
M. The board of supervisors of the county in which a county recreation improvement district is located at any time may revoke the authority of an elected board of directors in order to protect the residents of the district. Any district in which the authority of an elected board of directors is revoked pursuant to this section shall be governed by the board of supervisors as provided by section 48-908, Arizona Revised Statutes, and the board of supervisors shall have the option of calling for new elections for the district board of directors.

N. Services provided by a county to a district are subject to reimbursement pursuant to section 11-251.06, Arizona Revised Statutes.

O. Unless the county board of supervisors adopts a resolution and appoints an initial board of directors of a district as prescribed in subsection A of this section on or before December 31, 2025, the authority for a county board of supervisors to provide for the separate governance of a district expires.

P. This section is repealed from and after December 31, 2025.

Q. For the purposes of this section:

1. "Board" means the district board of directors.
2. "Clerk" means the person appointed by the board of directors to act as the clerk for the district and to perform the duties otherwise prescribed for a clerk pursuant to this chapter.
3. "District" or "county improvement district providing recreational improvements" means a tax-levying county improvement district that is formed pursuant to section 48-906, Arizona Revised Statutes, to make improvements associated with lake recreation, such as boat docks, beach and picnic areas, lake access, parking and paths, and to provide personnel and equipment for the safe use and enjoyment of property for members and their authorized guests.

APPROVED BY THE GOVERNOR MARCH 30, 2022.