

Senate Engrossed House Bill  
theme park districts; extension

State of Arizona  
House of Representatives  
Fifty-fifth Legislature  
First Regular Session  
2021

**CHAPTER 298**  
**HOUSE BILL 2835**

AN ACT

AMENDING SECTIONS 48-6201, 48-6202, 48-6203, 48-6204, 48-6231, 48-6232, 48-6233, 48-6253, 48-6255, 48-6272, 48-6281 AND 48-6282, ARIZONA REVISED STATUTES; AMENDING LAWS 2005, CHAPTER 248, SECTION 2, AS AMENDED BY LAWS 2007, CHAPTER 216, SECTION 17 AND LAWS 2012, CHAPTER 206, SECTION 13; RELATING TO THEME PARK DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 48-6201, Arizona Revised Statutes, is amended to  
3 read:

4 48-6201. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Board" means the board of directors of a district.

7 2. "District" means a theme park district established pursuant to  
8 this chapter.

9 3. "Site host" means a city, ~~OR county or Indian tribe, nation,~~  
10 ~~community or band.~~

11 4. "Theme park":

12 (a) Means any combination of recreational, entertainment, **SPORTS,**  
13 amusement and cultural venues and parking facilities with a central access  
14 designed and built around a particular time, place, story or subject,  
15 including consistent presentation of architecture, costuming, merchandise,  
16 food, games, rides and attractions.

17 (b) **INCLUDES ANY BUILDINGS AND IMPROVEMENTS USED FOR OVERNIGHT**  
18 **LODGING OR ACCOMMODATION OF THEME PARK PATRONS AND OTHER GUESTS.**

19 Sec. 2. Section 48-6202, Arizona Revised Statutes, is amended to  
20 read:

21 48-6202. Formation of district

22 A. The governing bodies of a city with a population of more than  
23 one million persons and a county with a population of more than one  
24 hundred twenty-five thousand ~~but less than one hundred fifty thousand~~  
25 ~~persons and a city with a population of more than three thousand persons~~  
26 ~~but less than five thousand persons that~~ **AND IN WHICH THE CITY** is located  
27 entirely in that county may establish ~~in any combination that includes the~~  
28 ~~county~~ a theme park district as provided by this chapter. For the  
29 purposes of this subsection, the population shall be determined according  
30 to the most recent population estimate data produced by the office of  
31 economic opportunity at the time the district is established. The  
32 district may include theme park sites in ~~one or both cities or in the~~  
33 ~~county~~ **ONLY THE CITY** establishing the district, ~~or in any combination of a~~  
34 ~~city or cities and a county, including a combination of a county with a~~  
35 ~~population of more than one hundred twenty-five thousand but less than one~~  
36 ~~hundred fifty thousand persons and a city with a population of more than~~  
37 ~~three thousand persons but less than five thousand persons that is located~~  
38 ~~entirely in that county.~~ The city ~~or cities~~ and the county shall  
39 establish the geographical boundaries of the district, which shall include  
40 only the sites of the theme parks **AND WHICH SHALL CONSIST OF ONLY**  
41 **CONTIGUOUS PROPERTY.** The district may be established with a single theme  
42 park site. ~~Any additional sites may be added after the district is~~  
43 initially established and the geographical boundaries of the district may  
44 be revised after it is initially established, **EXCEPT THAT THE DISTRICT**  
45 **SHALL CONTINUE TO CONSIST OF ONLY CONTIGUOUS PROPERTY IN THAT CITY.**

1 B. The district is a corporate and political body and, except as  
2 otherwise limited, modified or provided by this chapter, has all of the  
3 rights, powers and immunities of municipal corporations.

4 C. The district is considered to be a tax levying public  
5 improvement district for the purposes of article XIII, section 7,  
6 Constitution of Arizona.

7 D. The district is regarded as performing a governmental function  
8 in carrying out the purposes of this chapter. The property acquired,  
9 LEASED or constructed by the district, the activities of the district in  
10 maintaining and caring for the property and the monies derived by the  
11 district from operating the property are exempt from state and local  
12 income and property taxation. A HOTEL BUILDING THAT IS LOCATED IN A  
13 DISTRICT THAT IS LESS THAN TWENTY ACRES AND CONTAINS LESS THAN ONE MILLION  
14 SQUARE FEET OF BUILDING OR OTHER IMPROVEMENTS IS NOT EXEMPT FROM STATE AND  
15 LOCAL PROPERTY TAXATION. AT THE CONCLUSION OF THE LEASE, THAT HOTEL  
16 BUILDING SHALL BE RETURNED TO THE LESSEE UNDER THE LEASE WITH THE DISTRICT  
17 AND IF SUBJECT TO A GROUND LEASE WITH A TAX EXEMPT ENTITY, THE HOTEL  
18 BUILDING AND OTHER IMPROVEMENTS ARE SUBJECT TO STATE AND LOCAL PROPERTY  
19 TAXATION AS POSSESSORY IMPROVEMENTS ON GOVERNMENT PROPERTY AS DEFINED IN  
20 SECTION 42-15301.

21 Sec. 3. Section 48-6203, Arizona Revised Statutes, is amended to  
22 read:

23 48-6203. Board of directors

24 A. The district is governed by a board of directors consisting of  
25 the following members:

26 1. ~~Two members~~ ONE MEMBER of the governing body of the ~~more~~  
27 ~~populous of the two cities~~ CITY establishing the district, elected by the  
28 governing body.

29 ~~2. One member of the governing body of the less populous of the two~~  
30 ~~cities establishing the district, elected by the governing body.~~

31 2. ONE MEMBER OF THE GOVERNING BODY OF THE COUNTY ESTABLISHING THE  
32 DISTRICT, ELECTED BY THE GOVERNING BODY.

33 3. One member of the general public who resides in Apache,  
34 Coconino, Mohave, Navajo or Yavapai county, appointed by the speaker of  
35 the house of representatives.

36 4. One member of the general public who resides in Maricopa county,  
37 appointed by the president of the senate.

38 B. Members of the board of directors who also serve on the  
39 governing body of a city OR COUNTY establishing the district serve during  
40 their terms of office on the governing body of the city OR COUNTY, unless  
41 a successor is earlier elected by the respective governing body to replace  
42 the member for any reason. Other members of the board of directors shall  
43 serve ~~four-year~~ FOUR-YEAR terms.

44 C. Members are not eligible for compensation for service on the  
45 board of directors.

1           Sec. 4. Section 48-6204, Arizona Revised Statutes, is amended to  
2 read:

3           48-6204. Administrative powers and duties

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

5           1. Adopt and use a corporate seal.

6           2. Sue and be sued.

7           3. Enter into contracts, including intergovernmental agreements  
8 under title 11, chapter 7, article 3, as necessary to carry out the  
9 purposes and requirements of this chapter.

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

12          5. Acquire by any lawful means, except the power of eminent domain,  
13 and operate, maintain, encumber, LEASE and dispose of real and personal  
14 property and interests in property.

15          6. Retain legal counsel and other consultants as necessary to carry  
16 out the purposes of the district.

17          B. The board of directors shall:

18          1. Appoint from among its members a ~~chairman~~ CHAIRPERSON, a  
19 secretary and such other officers as may be necessary to conduct its  
20 business.

21          2. Designate a fiscal agent to deposit, hold, invest and disburse  
22 the district's monies.

23          3. Provide for the acquisition, construction, RENOVATION,  
24 REDEVELOPMENT, LEASE, use and maintenance of the properties and interests  
25 owned or controlled by the district.

26          4. Keep and maintain a complete and accurate record of all of its  
27 proceedings. The board is a public body for purposes of title 38, chapter  
28 3, article 3.1 and title 39, chapter 1.

29          5. Enter into intergovernmental agreements with the county and  
30 city, pursuant to title 11, chapter 7, article 3, for administrative and  
31 staff support and meeting accommodations for accomplishing the purposes of  
32 the district.

33          6. Enter into contracts, LEASES and other agreements in the  
34 interest of the district or to carry out and accomplish the purposes of  
35 this chapter, including construction contracts and agreements with users  
36 of the theme parks. IF THE DISTRICT ISSUES BONDS, THE FOLLOWING APPLY  
37 UNTIL THE BONDS ARE FULLY REPAID:

38           (a) THE DISTRICT SHALL PROVIDE IN ITS LEASE OR USE AGREEMENT WITH  
39 THE LESSEE OR USER THAT THE LESSEE OR USER MAY NOT RELOCATE, SIGNIFICANTLY  
40 REDUCE ITS OPERATION OR TERMINATE ITS AGREEMENT WITH THE DISTRICT.

41           (b) THE LESSEE OR USER MAY NOT MOVE TO A LOCATION IN ANOTHER STATE.

42           (c) THE LESSEE OR USER MAY NOT BE A LESSEE OR USER OR OTHERWISE BE  
43 A PARTICIPANT IN A DIFFERENT DISTRICT OR USE OR PARTICIPATE IN AN  
44 AGREEMENT TO USE OR CONSTRUCT A PROFESSIONAL SPORTS STADIUM OR FIELD IN A  
45 LOCATION OUTSIDE THE DISTRICT OTHER THAN FOR A TRAINING STADIUM OR FIELD.



1 **CONTRACTORS THAT ARE SELECTED BY THE DEVELOPER.** For the purposes of this  
2 subsection:

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

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

13 Sec. 6. Section 48-6232, Arizona Revised Statutes, is amended to  
14 read:

15 48-6232. Operational powers of district

16 The district, through the board of directors, may:

17 1. Approve contractors and architects ~~for the construction of TO~~  
18 **CONSTRUCT** facilities, unless an architect will be employed directly by a  
19 contractor.

20 2. Negotiate agreements with the contractor and architect, unless  
21 the architect will be employed directly by the contractor.

22 3. Work with the users, contractors and architects to prepare a  
23 themed design for the facilities.

24 4. Prepare construction budgets and schedules.

25 5. Prepare the annual operating budget for the district pursuant to  
26 section 48-6251.

27 6. Negotiate **LEASE OR** use agreements with parties that will occupy  
28 and use the district facilities.

29 7. Review construction change order requests.

30 8. Arrange for capital financing, as needed.

31 9. In consultation with the users of the district's facilities,  
32 negotiate one or more contracts for the **LEASE**, use, management, operation  
33 and maintenance of the district's facilities.

34 10. Take any other actions that are necessary to ensure that the  
35 district's facilities are constructed according to the schedule and  
36 budget.

37 Sec. 7. Section 48-6233, Arizona Revised Statutes, is amended to  
38 read:

39 48-6233. Site host relations

40 A. The district may locate any of its facilities on real property  
41 leased from one or more site hosts. The district may negotiate agreements  
42 with site hosts, including intergovernmental agreements pursuant to title  
43 11, chapter 7, article 3 if a site host is a public agency as defined in  
44 section 11-951, concerning the real property, infrastructure and parking  
45 to be provided by the site host. All agreements must:

1           1. Provide that the site host shall indemnify and hold the district  
2 harmless from any liability to the extent resulting from the negligent or  
3 intentional acts or omissions of the site host or its representatives and  
4 agents or employees resulting from any access ways provided by the site  
5 host and reasonably used by the public for ingress and egress to the land,  
6 infrastructure and parking facilities provided by the site host for use in  
7 connection with any theme park.

8           2. Require the site host to maintain insurance or an adequate  
9 self-insurance plan for any liability of the site host, with a waiver of  
10 sovereign immunity if necessary.

11           B. Before entering into an agreement with any site host, the  
12 district shall require assurance that the site host has the financial  
13 capability to perform its obligations under any agreement with the  
14 district.

15           ~~C. If a site host is an Indian tribe, nation, band or community:~~

16           ~~1. The site host must provide assurance to the district that the~~  
17 ~~real property is not and will not be made part of an Indian reservation~~  
18 ~~under the laws of the United States during the term of the lease agreement~~  
19 ~~with the site host.~~

20           ~~2. The site host must provide assurance to the district that the~~  
21 ~~site host has legal authority to lease the real property to the district~~  
22 ~~for uses consistent with the purposes of this chapter for the term of the~~  
23 ~~lease agreement with the site host.~~

24           ~~3. The district shall require as terms of the agreement between the~~  
25 ~~district and the site host:~~

26           ~~(a) A waiver of sovereign immunity to allow the district to enforce~~  
27 ~~the agreement.~~

28           ~~(b) The site host's consent to the jurisdiction of state and~~  
29 ~~federal courts.~~

30           ~~(c) A waiver of the right to require the district to exhaust tribal~~  
31 ~~remedies before bringing an action in state or federal courts.~~

32           ~~(d) That state and federal law will govern the interpretation of~~  
33 ~~any agreements entered into between the district and the site host.~~

34           ~~(e) That the site host will not prevent, impair or impede the~~  
35 ~~imposition, collection and administration of district taxes as provided by~~  
36 ~~section 48-6253.~~

37           ~~4. Gambling shall not be allowed in the district pursuant to any~~  
38 ~~tribal-state gaming compact under title 5, chapter 6. The district shall~~  
39 ~~require, as a term of the agreement between the district and the site~~  
40 ~~host, that the site host shall not operate or support gambling within~~  
41 ~~fifty miles of the exterior boundaries of the district pursuant to any~~  
42 ~~tribal-state gaming compact under title 5, chapter 6.~~



1 relating to the audit or examination pursuant to title 41, chapter 7,  
2 article 10.1. If the auditor general takes no further action within  
3 thirty days after the audit is filed, the audit is considered to be  
4 sufficient.

5 C. The board shall pay negotiated and approved fees and costs of  
6 the certified public accountant and auditor general under this section.

7 D. AT THE REQUEST OF THE CHAIRPERSON OF THE JOINT LEGISLATIVE  
8 BUDGET COMMITTEE, A REPRESENTATIVE OF THE BOARD SHALL APPEAR BEFORE THE  
9 JOINT LEGISLATIVE BUDGET COMMITTEE TO REPORT ON ANY ASPECT OF THE  
10 DISTRICT'S OPERATION, INCLUDING THE ACTIVITIES AND FINANCIAL PERFORMANCE  
11 OF THE DISTRICT DURING THE PREVIOUS FISCAL YEAR, THE DISTRICT'S PLANS FOR  
12 CAPITAL IMPROVEMENTS, OTHER EXPENDITURES AND INVESTMENT AND THE DISTRICT'S  
13 RESPONSE TO THE AUDIT CONDUCTED PURSUANT TO THIS SECTION.

14 Sec. 10. Section 48-6272, Arizona Revised Statutes, is amended to  
15 read:

16 48-6272. Authorization of revenue bonds; conditional  
17 expiration

18 A. Subject to subsections D and E of this section, the district may  
19 issue negotiable revenue bonds pursuant to this article in a principal  
20 amount that is necessary to:

21 1. Provide sufficient monies for theme park purposes. The board  
22 may segregate any theme park purpose for separate financing, and may issue  
23 bonds separately or together, in one or more issues.

24 2. Establish and fully or partially fund any reserves or sinking  
25 accounts established by the bond resolution.

26 3. Issue refunding bonds if the board considers refunding to be  
27 expedient. The board may provide for investing and holding the proceeds  
28 of the refunding bonds in trust for the benefit of the holders of the  
29 bonds being refunded.

30 4. Refund any bonds issued by the district if the bonds are secured  
31 from the same source of revenues as the bonds authorized in this article  
32 by issuing new bonds, whether the bonds to be refunded have or have not  
33 matured.

34 5. Issue bonds partly to refund outstanding bonds and partly for  
35 any theme park purpose consistent with this article.

36 B. THE SUM OF ALL bonds issued BY ALL DISTRICTS ESTABLISHED  
37 pursuant to this article shall not exceed an outstanding principal amount  
38 of ~~one billion dollars~~ \$2,000,000,000 AT ANY GIVEN TIME, except for  
39 refunding bonds and other bonds issued to refund outstanding bonds of the  
40 ~~district~~ DISTRICTS.

41 C. The board shall authorize the bonds by resolution. The  
42 resolution shall prescribe:

43 1. The district's revenue sources that are pledged and dedicated to  
44 secure the bonds.

1           2. The rate or rates of interest, which may be fixed or variable,  
2 the date or dates on which interest is payable and the denominations of  
3 the bonds.

4           3. The date or dates of the bonds and maturity, which shall be  
5 within thirty years after the date of issuance.

6           4. The manner of executing the bonds.

7           5. The medium and place of payment.

8           6. The terms of redemption, which may provide for a premium for  
9 early redemption.

10          D. The board shall not issue bonds under this article unless it  
11 receives irrevocable and legally enforceable financial participation  
12 commitments from private nongovernmental entities for theme park purposes,  
13 including from new market tax credits, in an amount equal to twenty ~~per~~  
14 ~~cent~~ PERCENT of the principal amount of the bond issue.

15          E. The authority of the board of directors to issue bonds under  
16 this article expires if the board fails to issue any bonds on or before  
17 December 31, ~~2020~~ 2031.

18          Sec. 11. Section 48-6281, Arizona Revised Statutes, is amended to  
19 read:

20           48-6281. Investment of monies in the bond proceeds account

21          A. The board may authorize the district fiscal agent to invest  
22 monies in the bond proceeds account in the manner prescribed by section  
23 48-6283.

24          B. The order directing an investment shall state a date on which  
25 the proceeds from the sale of the bonds will be needed for use, and the  
26 fiscal agent shall make the investment in such a way as to mature on or  
27 before the specified date.

28          C. All monies earned as interest or otherwise derived from the  
29 investment of the monies in the bond proceeds account shall be ~~credited to~~  
30 ~~the district's general fund~~ USED TO PAY ALL BONDS, INTEREST AND OTHER  
31 CHARGES RELATED TO BONDS ISSUED UNDER ARTICLE 4 OF THIS CHAPTER.

32          Sec. 12. Section 48-6282, Arizona Revised Statutes, is amended to  
33 read:

34           48-6282. Investment of monies in debt service account

35          A. The board may authorize the district fiscal agent to invest and  
36 reinvest any monies in the debt service account as provided by section  
37 48-6283.

38          B. The order directing an investment shall state a date on which  
39 the monies and other resources in the debt service account will be needed  
40 for use, and the fiscal agent shall make the investment in such a way as  
41 to mature on or before the specified date.

42          C. All monies earned as interest or otherwise derived from the  
43 investment of the monies in the debt service account shall be credited to  
44 the district's general fund AND APPLIED TO BOND DEBT AS IT ACCRUES.

1           Sec. 13. Laws 2005, chapter 248, section 2, as amended by Laws  
2 2007, chapter 216, section 17 and Laws 2012, chapter 206, section 13, is  
3 amended to read:

4           Sec. 2. Conditional delayed repeal

5           Title 48, chapter 36, Arizona Revised Statutes, is repealed from and  
6 after December 31, ~~2020~~ 2031 if the board of directors fails to issue  
7 bonds pursuant to that chapter by that date.

8           Sec. 14. Retroactivity

9           Laws 2005, chapter 248, section 2, as amended by Laws 2007, chapter  
10 216, section 17, Laws 2012, chapter 206, section 13 and this act, applies  
11 retroactively to from and after December 31, 2020.

APPROVED BY THE GOVERNOR APRIL 28, 2021.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 28, 2021.