

PROPOSED
SENATE AMENDMENTS TO H.B. 2274
(Reference to House engrossed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 48-6202, Arizona Revised Statutes, is amended to
3 read:

4 48-6202. Formation of district

5 A. The governing bodies of a city with a population of more than one
6 million persons and a county with a population of more than one hundred
7 twenty-five thousand persons and in which the city is ENTIRELY located
8 ~~entirely in that county~~ OR A COUNTY ACTING ON ITS OWN may establish a theme
9 park district as provided by this chapter. For the purposes of this
10 subsection, the population shall be determined according to the most recent
11 population estimate data produced by the office of economic opportunity at
12 the time the district is established. IF FORMED IN CONJUNCTION WITH A
13 CITY, the district may include theme park sites in only the city
14 establishing the district. The city, IF ANY, and the county shall
15 establish the geographical boundaries of the district, which shall include
16 only the sites of the theme parks and which shall consist of only
17 contiguous property. The district may be established with a single theme
18 park site. Any additional sites may be added after the district is
19 initially established and the geographical boundaries of the district may
20 be revised after it is initially established, except that IF FORMED IN
21 CONJUNCTION WITH A CITY, the district shall continue to consist of only
22 contiguous property in that city. MORE THAN ONE DISTRICT MAY BE LOCATED IN
23 A COUNTY.

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 improvement
5 district for the purposes of article XIII, section 7, Constitution of
6 Arizona.

7 D. The district is regarded as performing a governmental function in
8 carrying out the purposes of this chapter. The property acquired, leased
9 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 income
12 and property taxation. A hotel building that is located in a district that
13 is less than twenty acres and contains less than one million square feet of
14 building or other improvements is not exempt from state and local property
15 taxation. At the conclusion of the lease, that hotel building shall be
16 returned to the lessee under the lease with the district and if subject to
17 a ground lease with a tax exempt entity, the hotel building and other
18 improvements are subject to state and local property taxation as possessory
19 improvements on government property as defined in section 42-15301.

20 Sec. 2. Section 48-6203, Arizona Revised Statutes, is amended to
21 read:

22 48-6203. Board of directors

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

25 1. One member of the governing body of the city establishing the
26 district, elected by the governing body. IF A CITY DOES NOT PARTICIPATE IN
27 ESTABLISHING THE DISTRICT, THE BOARD OF DIRECTORS MAY NOT INCLUDE A MEMBER
28 OF THE GOVERNING BODY OF A CITY.

29 2. One member of the governing body of the county establishing the
30 district, elected by the governing body. IF A CITY DOES NOT PARTICIPATE IN

1 ESTABLISHING THE DISTRICT, THE COUNTY SHALL ELECT TWO MEMBERS OF ITS
2 GOVERNING BODY TO BE MEMBERS OF THE BOARD OF DIRECTORS OF THE DISTRICT.

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

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

8 B. Members of the board of directors who also serve on the governing
9 body of a city or county establishing the district serve during their terms
10 of office on the governing body of the city or county, unless a successor
11 is earlier elected by the respective governing body to replace the member
12 for any reason. Other members of the board of directors shall serve
13 four-year terms.

14 C. Members are not eligible for compensation for service on the
15 board of directors.

16 Sec. 3. Section 48-6204, Arizona Revised Statutes, is amended to
17 read:

18 48-6204. Administrative powers and duties

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

20 1. Adopt and use a corporate seal.

21 2. Sue and be sued.

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

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

27 5. Acquire by any lawful means, except the power of eminent domain,
28 and operate, maintain, encumber, lease and dispose of real and personal
29 property and interests in property.

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

1 B. The board of directors shall:

2 1. Appoint from among its members a chairperson, a secretary and
3 such other officers as may be necessary to conduct its business.

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

6 3. Provide for the acquisition, construction, renovation,
7 redevelopment, lease, use and maintenance of the properties and interests
8 owned or controlled by the district.

9 4. Keep and maintain a complete and accurate record of all of its
10 proceedings. The board is a public body for purposes of title 38, chapter
11 3, article 3.1 and title 39, chapter 1.

12 5. Enter into intergovernmental agreements with the county and, **IF A**
13 **CITY PARTICIPATES IN ESTABLISHING THE DISTRICT, WITH THE** city, pursuant to
14 title 11, chapter 7, article 3, for administrative and staff support and
15 meeting accommodations for accomplishing the purposes of the district.

16 6. Enter into contracts, leases and other agreements in the interest
17 of the district or to carry out and accomplish the purposes of this
18 chapter, including construction contracts and agreements with users of the
19 theme parks. If the district issues bonds, the following apply until the
20 bonds are fully repaid:

21 (a) The district shall provide in its lease or use agreement with
22 the lessee or user that the lessee or user may not relocate, significantly
23 reduce its operation or terminate its agreement with the district.

24 (b) The lessee or user may not move to a location in another state.

25 (c) The lessee or user may not be a lessee or user or otherwise be a
26 participant in a different district or use or participate in an agreement
27 to use or construct a professional sports stadium or field in a location
28 outside the district other than for a training stadium or field.

29 7. Contract for consulting, legal, accounting and other outside
30 professional services, including a professional facility management
31 company.

1 Sec. 4. Section 48-6231, Arizona Revised Statutes, is amended to
2 read:

3 48-6231. Constructing and maintaining theme parks; limitation
4 on retail sales

5 A. The district may provide for the construction, financing,
6 furnishing and maintenance of one or more contiguous theme parks that shall
7 be located only in the city establishing the district, **OR IF A CITY DOES**
8 **NOT PARTICIPATE IN ESTABLISHING THE DISTRICT, THE ONE OR MORE THEME PARKS**
9 **MAY BE LOCATED AT ANY PLACE IN THE COUNTY.** The district shall own or lease
10 all buildings and other improvements it constructs, renovates or redevelops
11 subject only to liens and other security interests of record. The district
12 may construct its facilities on real property owned or leased by the
13 district or leased by the district from one or more site hosts as provided
14 by section 48-6233.

15 B. On full repayment of the bonds prescribed by section 48-6253, any
16 real property, buildings or other improvements conveyed or leased to the
17 district will be reconveyed by the district to the lessee under the lease
18 with the district.

19 C. Any construction on or for the theme park may include the
20 renovation or redevelopment of existing buildings or improvements and theme
21 park facilities are not limited to new buildings or improvements.

22 D. Not more than one-half of the business conducted at any theme
23 park facility may consist of retail sales of tangible personal property,
24 measured either by the number of employees assigned to retail sales or the
25 square footage of the facility used for retail sales. For the purposes of
26 this subsection, "retail sales" means the sale of tangible personal
27 property to an ultimate consumer. Retail sales do not include:

28 1. Sales of food and beverages for consumption on the premises of
29 the theme park facility.

30 2. The distribution without charge of promotional products that
31 display the theme park logo or trademark.

1 3. Sales solely to employees of the theme park.

2 E. Notwithstanding title 34 or title 41, chapter 23, the district
3 may use alternative systems and procedures, including design-build
4 construction and qualifications-based selection of contractors or any other
5 system or procedure that the district deems appropriate, either by direct
6 selection or by public competition, to expedite the design and construction
7 of any of its facilities or structures or any facilities or structures
8 leased to it or used by it pursuant to an intergovernmental
9 agreement. Notwithstanding any other provision of this section or any
10 other statute, the district shall approve all architects, designers,
11 engineers and contractors that are selected by the developer. For the
12 purposes of this subsection:

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

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

23 Amend title to conform

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C: MR