House Engrossed

FILED
KEN BENNETT
SECRETARY OF STATE

State of Arizona
House of Representatives
Forty-ninth Legislature
First Regular Session
2009

CHAPTER 122

HOUSE BILL 2572

AN ACT

AMENDING TITLE 5, BY ADDING CHAPTER 9, ARIZONA REVISED STATUTES; RELATING TO SPORTS AUTHORITY DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Title 5, Arizona Revised Statutes, is amended by adding chapter 9, to read:

CHAPTER 9

SPORTS AUTHORITY DISTRICT

ARTICLE 1. ORGANIZATION

5-1101. Definitions

IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "ADVISORY BOARD" MEANS THE ADVISORY BOARD OF THE SPORTS AUTHORITY.

2. "AUTHORITY" MEANS A SPORTS AUTHORITY ESTABLISHED PURSUANT TO THIS CHAPTER.

3. "AUTHORITY BOARD" MEANS THE GOVERNING BOARD OF THE SPORTS AUTHORITY.

4. "BOARD OF DIRECTORS" MEANS THE COUNTY BOARD OF SUPERVISORS SERVING AS THE BOARD OF DIRECTORS OF THE DISTRICT.

5. "DISTRICT" MEANS A SPORTS AUTHORITY DISTRICT ESTABLISHED PURSUANT TO THIS CHAPTER.

6. "MULTIPURPOSE FACILITY" MEANS A STADIUM OR A FACILITY FOR YOUTH SPORTS THAT IS ADAPTED FOR ADDITIONAL ENTERTAINMENT, CULTURAL, CIVIC, MEETING, TRADESHOW OR CONVENTION EVENTS, ON-SITE INFRASTRUCTURE AND RELATED PARKING FACILITIES AND COMMERCIAL ACTIVITY WITHIN THE FACILITY.

7. "STADIUM" MEANS A FACILITY INTENDED PRIMARILY FOR USE BY ONE OR MORE MAJOR LEAGUE BASEBALL SPRING TRAINING OPERATIONS, INCLUDING BASEBALL STADIUMS, CLUBHOUSES, PRACTICE FACILITIES, OTHER RELATED FACILITIES, ON-SITE INFRASTRUCTURE AND RELATED PARKING FACILITIES AND COMMERCIAL ACTIVITY WITHIN THE FACILITY.

8. "YOUTH SPORTS" MEANS RECREATIONAL AND AMATEUR SPORTING RELATED ACTIVITIES AND COMPETITIONS ORGANIZED IN THE DISTRICT.

5-1102. Formation of district; board of directors; duties

A. A SPORTS AUTHORITY DISTRICT IS ESTABLISHED IN EACH COUNTY HAVING A POPULATION OF MORE THAN FIVE HUNDRED THOUSAND BUT LESS THAN TWO MILLION PERSONS. THE BOUNDARIES OF THE DISTRICT ARE THE BOUNDARIES OF THE COUNTY.

B. THE COUNTY BOARD OF SUPERVISORS SHALL SERVE AS THE BOARD OF DIRECTORS OF THE DISTRICT. THE DIRECTORS SHALL NOT RECEIVE COMPENSATION OR REIMBURSEMENT OF EXPENSES FOR THEIR SERVICES AS THE BOARD OF DIRECTORS.

C. THE BOARD OF DIRECTORS SHALL:

1. CALL AN ELECTION FOR THE ESTABLISHMENT OF A SPORTS AUTHORITY IN THE COUNTY AS PROVIDED BY SECTION 5-1103, SUBSECTION A.

2. APPOINT CERTAIN MEMBERS OF THE GOVERNING BOARD OF THE SPORTS AUTHORITY AS PROVIDED BY SECTION 5-1103, SUBSECTION D.

3. APPROVE A BUDGET OF THE AUTHORITY PURSUANT TO SECTION 5-1131.

4. APPROVE THE ISSUANCE OF REVENUE BONDS OF THE AUTHORITY PURSUANT TO ARTICLE 3 OF THIS CHAPTER.

D. THE DISTRICT IS A CORPORATE AND POLITICAL BODY, SEPARATE AND INDEPENDENT OF THIS STATE OR THE COUNTY, AND EXCEPT AS OTHERWISE LIMITED,

MODIFIED OR PROVIDED BY THIS CHAPTER, HAS ALL OF THE RIGHTS, POWERS AND IMMUNITIES OF MUNICIPAL CORPORATIONS EXCEPT TO ACQUIRE REAL PROPERTY BY EMINENT DOMAIN. THE BOARD OF DIRECTORS AND THE DISTRICT DO NOT HAVE THE AUTHORITY TO LEVY OR OTHERWISE IMPOSE ANY TAX OR ASSESSMENT, OTHER THAN CHARGES FOR THE USE OF FACILITIES OWNED OR MANAGED BY THE DISTRICT. THE QUALIFIED ELECTORS RESIDING IN THE DISTRICT MAY LEVY A TAX FOR THE FISCAL NEEDS OF THE AUTHORITY AS PROVIDED BY THIS CHAPTER, BUT THE BOARD OF DIRECTORS HAS NO INDEPENDENT AUTHORITY TO IMPOSE A TAX. SUBJECT TO THAT LIMITATION, THE DISTRICT IS CONSIDERED TO BE A TAX LEVYING PUBLIC IMPROVEMENT DISTRICT FOR THE PURPOSES OF ARTICLE XIII, SECTION 7, CONSTITUTION OF ARIZONA.

5-1103. Sports authority; establishment; authority board

A. THE BOARD OF DIRECTORS SHALL CALL AN ELECTION OF THE QUALIFIED ELECTORS OF THE DISTRICT TO AUTHORIZE THE ESTABLISHMENT OF A SPORTS AUTHORITY WITHIN AND COTERMINOUS WITH THE BOUNDARIES OF THE DISTRICT. THE ELECTION SHALL BE HELD ON ONE OF THE NEXT FIVE GENERAL ELECTION DATES HELD ON THE FIRST TUESDAY AFTER THE FIRST MONDAY IN NOVEMBER FOLLOWING THE ESTABLISHMENT OF THE DISTRICT.

B. THE ELECTION BALLOT SHALL INCLUDE THE FOLLOWING QUESTIONS:

1. "SHALL A SPORTS AUTHORITY BE ESTABLISHED IN ____ COUNTY?".

2. "SHALL THE SPORTS AUTHORITY DISTRICT BE AUTHORIZED TO LEVY AND COLLECT TAXES AS PROVIDED BY SECTIONS 5-1133 THROUGH 5-1137, ARIZONA REVISED STATUTES?".

3. "SHALL THE SPORTS AUTHORITY DISTRICT ISSUE REVENUE BONDS TO FINANCE THE CONSTRUCTION, RENOVATION, EXPANSION OR REPAIR OF CACTUS LEAGUE BASEBALL STADIUMS, YOUTH SPORTS FACILITIES AND MULTIPURPOSE FACILITIES, TO BE PAID EXCLUSIVELY FROM REVENUES OF THE AUTHORITY?".

C. THE BOARD OF DIRECTORS SHALL ORDER THE ESTABLISHMENT OF THE AUTHORITY ON THE APPROVAL OF ALL QUESTIONS BY A MAJORITY OF THE QUALIFIED ELECTORS VOTING ON EACH ISSUE IN THE ELECTION. IF ANY QUESTION IS DISAPPROVED, THE AUTHORITY SHALL NOT BE ESTABLISHED AND FURTHER PROCEEDINGS UNDER THIS CHAPTER SHALL BE TERMINATED.

D. MEMBERS OF THE AUTHORITY BOARD, WHO MUST RESIDE IN THE DISTRICT, SHALL BE APPOINTED WITHIN THIRTY DAYS AFTER THE FORMATION OF THE DISTRICT AS FOLLOWS:

1. ONE MEMBER WHO IS APPOINTED BY THE BOARD OF DIRECTORS AND WHO IS SELECTED FROM A LIST OF NOMINEES SUBMITTED BY THE LARGEST INDUSTRY ORGANIZATION OR TRADE ASSOCIATION, AS MEASURED BY ITS MEMBERS' GROSS REVENUES, REPRESENTING HOTEL, MOTEL AND LODGING BUSINESSES IN THE DISTRICT.

2. ONE MEMBER WHO IS APPOINTED BY THE BOARD OF DIRECTORS AND WHO IS SELECTED FROM A LIST OF NOMINEES SUBMITTED BY THE LARGEST INDUSTRY ORGANIZATION OR TRADE ASSOCIATION, AS MEASURED BY ITS MEMBERS' GROSS REVENUES, REPRESENTING RESTAURANT BUSINESSES IN THE DISTRICT.

3. ONE MEMBER WHO IS APPOINTED BY THE BOARD OF DIRECTORS AND WHO IS SELECTED FROM A LIST OF NOMINEES SUBMITTED BY THE LARGEST INDUSTRY

ORGANIZATION OR TRADE ASSOCIATION IN THIS STATE SPECIALIZING IN ON-SALE AND OFF-SALE RETAIL LIQUOR DISTRIBUTION.

4. ONE MEMBER WHO IS APPOINTED BY THE BOARD OF DIRECTORS, WHO REPRESENTS YOUTH AND AMATEUR SPORTS IN THE DISTRICT AND WHO IS SELECTED FROM A LIST OF NOMINEES SUBMITTED BY THE LARGEST YOUTH OR AMATEUR SPORTS ORGANIZATION IN THE DISTRICT AS MEASURED BY THE SIZE OF ITS MEMBERSHIP.

5. ONE MEMBER WHO IS APPOINTED BY THE GOVERNING BODY OF THE LARGEST CITY IN THE DISTRICT, AS MEASURED BY POPULATION, AND WHO IS SELECTED FROM A LIST OF NOMINEES SUBMITTED BY THE LARGEST INDUSTRY ORGANIZATION OR TRADE ASSOCIATION REPRESENTING AUTOMOBILE RENTAL BUSINESSES IN THE DISTRICT.

6. ONE MEMBER WHO IS APPOINTED BY THE GOVERNING BODY OF THE LARGEST CITY IN THE DISTRICT, AS MEASURED BY POPULATION, AND WHO IS SELECTED FROM A LIST OF NOMINEES SUBMITTED BY THE LARGEST INDUSTRY ORGANIZATION OR TRADE ASSOCIATION, AS MEASURED BY ITS MEMBERS' GROSS REVENUES, REPRESENTING TOURISM BUSINESSES GENERALLY IN THE DISTRICT.

7. ONE MEMBER WHO IS APPOINTED PURSUANT TO SUBSECTION G OF THIS SECTION AND WHO IS SELECTED FROM A LIST OF NOMINEES SUBMITTED BY THE LARGEST INDUSTRY ORGANIZATION OR TRADE ASSOCIATION, AS MEASURED BY ITS MEMBERS' GROSS REVENUES, REPRESENTING TOURISM BUSINESSES GENERALLY IN THE DISTRICT.

8. ONE MEMBER WHO IS APPOINTED PURSUANT TO SUBSECTION G OF THIS SECTION AND WHO IS SELECTED FROM A LIST OF NOMINEES SUBMITTED BY THE LARGEST CHAMBER OF COMMERCE IN THE CITY MAKING THE APPOINTMENT REPRESENTING RETAIL BUSINESSES GENERALLY IN THE DISTRICT.

9. ONE MEMBER WHO IS APPOINTED PURSUANT TO SUBSECTION G OF THIS SECTION AND WHO HAS SUBSTANTIAL KNOWLEDGE AND EXPERIENCE REGARDING MAJOR LEAGUE BASEBALL.

10. TWO ADDITIONAL MEMBERS WHO ARE APPOINTED BY THE COUNTY BOARD OF SUPERVISORS, OR BY ANY CITY OR TOWN, THAT CONTRIBUTES AT LEAST TWENTY PER CENT OF THE COST OF A PROJECT PURSUANT TO SECTION 5-1106, SUBSECTION C IF THE CONTRIBUTION HAS A VALUE OF AT LEAST FIFTEEN MILLION DOLLARS. MEMBERS SHALL BE APPOINTED PURSUANT TO THIS PARAGRAPH WITHIN THIRTY DAYS AFTER THE EXECUTION OF A BINDING AGREEMENT TO MAKE A QUALIFYING CONTRIBUTION.

E. THE APPOINTING ENTITIES PRESCRIBED IN SUBSECTION D OF THIS SECTION SHALL RECEIVE NOMINATIONS FOR APPOINTMENT TO THE AUTHORITY BOARD FROM SPECIFIED COMMERCIAL INTERESTS, AND SHALL APPOINT THE MEMBERS FROM THE NOMINEES. THE APPOINTING ENTITIES SHALL MAKE APPOINTMENTS TO THE AUTHORITY BOARD TO PROVIDE BROAD GEOGRAPHIC REPRESENTATION AMONG THE MEMBERS. THE INITIAL MEMBERS SHALL BE APPOINTED TO TERMS OF TWO, THREE AND FOUR YEARS, CHOSEN BY LOT. ALL SUBSEQUENT MEMBERS SHALL BE APPOINTED TO TERMS OF FOUR YEARS, EXCEPT FOR INTERIM APPOINTMENTS TO FILL UNEXPIRED TERMS. A MEMBER OF THE BOARD MAY BE REMOVED ON A TWO-THIRDS VOTE OF ALL MEMBERS. THE REMOVAL IS EFFECTIVE IMMEDIATELY.

F. A MEMBER OF THE AUTHORITY BOARD SHALL NOT HOLD ANY ELECTED OFFICE WHILE SERVING ON THE BOARD. AN AUTHORITY BOARD MEMBER WHO TAKES ELECTIVE OFFICE WHO FILES NOMINATING PETITIONS FOR ELECTIVE OFFICE OR WHO IS APPOINTED

TO AN ELECTIVE OFFICE IS CONSIDERED TO HAVE RESIGNED FROM THE AUTHORITY BOARD EFFECTIVE IMMEDIATELY.

G. THE APPOINTMENT OF THE AUTHORITY BOARD MEMBER PURSUANT TO SUBSECTION D, PARAGRAPHS 7, 8 AND 9 OF THIS SECTION SHALL BE DETERMINED AS FOLLOWS:

1. THE FIRST APPOINTMENT SHALL BE MADE BY THE GOVERNING BODY OF THE SECOND LARGEST CITY IN THE DISTRICT.

2. THE SECOND APPOINTMENT SHALL BE MADE BY THE GOVERNING BODY OF THE THIRD LARGEST CITY IN THE DISTRICT.

3. EACH SUBSEQUENT APPOINTMENT SHALL BE MADE BY THE GOVERNING BODIES OF THE NEXT LARGEST CITIES IN THE DISTRICT IN ORDER OF POPULATION, UNTIL GOVERNING BODIES OF ALL CITIES IN THE DISTRICT HAVE MADE AN APPOINTMENT.

4. SUBSEQUENT APPOINTMENTS SHALL REPEAT THE SEQUENCE OF APPOINTMENTS PROVIDED IN PARAGRAPHS 1, 2 AND 3 OF THIS SUBSECTION.

5. FOR THE PURPOSES OF THIS SUBSECTION, THE POPULATION OF CITIES AND TOWNS IN THE DISTRICT SHALL BE BASED ON THE POPULATION AT THE TIME OF EACH APPOINTMENT MADE BY THE SECOND LARGEST CITY IN THE DISTRICT.

6. IF THERE IS A VACANCY OF A MEMBER OF THE AUTHORITY BOARD APPOINTED PURSUANT TO SUBSECTION D, PARAGRAPHS 7, 8 AND 9 OF THIS SECTION, THE GOVERNING BODY THAT APPOINTED THE VACATING MEMBER SHALL APPOINT A REPLACEMENT FOR THE REMAINDER OF THE UNEXPIRED TERM.

5-1104. <u>Sports authority plan; authority board powers and duties; advisory board</u>

A. THE AUTHORITY BOARD SHALL SUBMIT A PLAN FOR THE OPERATION OF THE SPORTS AUTHORITY, INCLUDING PROPOSALS FOR THE CONSTRUCTION, RENOVATION, EXPANSION OR REPAIR OF STADIUMS, MULTIPURPOSE FACILITIES AND YOUTH SPORTS FACILITIES AS PROVIDED IN THIS CHAPTER. THE PLAN SHALL:

1. BE DEVELOPED AND SUBMITTED TO THE BOARD OF DIRECTORS WITHIN NINETY DAYS AFTER THE APPOINTMENT OF THE INITIAL AUTHORITY BOARD.

2. BE FINALIZED FOLLOWING PUBLIC HEARINGS AND MEETINGS HELD IN THE AUTHORITY.

3. SPECIFY THE GENERAL PURPOSES FOR WHICH THE MONIES OF THE AUTHORITY, INCLUDING TAX REVENUES PURSUANT TO SECTIONS 5-1133 THROUGH 5-1137, WILL BE SPENT DURING THE FIRST TWENTY YEARS OF THE AUTHORITY'S OPERATIONS.

B. IN ADDITION, THE AUTHORITY BOARD, ON BEHALF OF THE SPORTS AUTHORITY, SHALL:

1. PROMOTE MAJOR LEAGUE BASEBALL SPRING TRAINING IN THE AUTHORITY.

2. ACQUIRE, CONSTRUCT, LEASE, FINANCE, LEASE-PURCHASE OR OTHERWISE OBTAIN USE OF FACILITIES FOR MAJOR LEAGUE BASEBALL SPRING TRAINING AND RELATED ACTIVITIES.

3. PROVIDE GRANTS AND ASSISTANCE TO POLITICAL SUBDIVISIONS OF THIS STATE AND TO NONPROFIT CORPORATIONS FOR THE DEVELOPMENT AND OPERATIONS OF SPORTING ACTIVITIES.

4. APPROVE CAPITAL PROJECTS THAT ARE PROVIDED BY THE BUDGET.

5. ISSUE REVENUE BONDS PURSUANT TO ARTICLE 3 OF THIS CHAPTER.

6. APPOINT FROM AMONG ITS MEMBERS A CHAIRPERSON, A SECRETARY AND SUCH OTHER OFFICERS AS MAY BE NECESSARY TO CONDUCT ITS BUSINESS.

7. EMPLOY AN EXECUTIVE DIRECTOR AND PRESCRIBE THE TERMS AND CONDITIONS OF EMPLOYMENT.

8. KEEP AND MAINTAIN A COMPLETE AND ACCURATE RECORD OF ALL OF ITS PROCEEDINGS. THE BOARD IS A PUBLIC BODY FOR PURPOSES OF TITLE 38, CHAPTER 3, ARTICLE 3.1 AND TITLE 39, CHAPTER 1.

9. PROVIDE FOR THE USE, MAINTENANCE AND OPERATION OF THE PROPERTIES AND INTERESTS OWNED OR MANAGED BY THE AUTHORITY.

C. THE AUTHORITY BOARD MAY:

1. ENTER INTO CONTRACTS, INCLUDING INTERGOVERNMENTAL AGREEMENTS UNDER TITLE 11, CHAPTER 7, ARTICLE 3, AS NECESSARY TO CARRY OUT THE PURPOSES AND REQUIREMENTS OF THIS CHAPTER.

2. ADOPT ADMINISTRATIVE RULES AS NECESSARY TO ADMINISTER AND OPERATE THE AUTHORITY AND ANY PROPERTY UNDER ITS JURISDICTION.

3. ACQUIRE BY ANY LAWFUL MEANS, OTHER THAN EMINENT DOMAIN, AND OPERATE, MAINTAIN, ENCUMBER AND DISPOSE OF REAL AND PERSONAL PROPERTY AND INTERESTS IN PROPERTY.

4. RETAIN LEGAL COUNSEL AND OTHER CONSULTANTS AS NECESSARY TO CARRY OUT THE PURPOSES OF THE AUTHORITY.

5. ENTER INTO CONTRACTS FOR THE LEASE OR RENTAL OF ANY FACILITY OR FACILITIES OF THE AUTHORITY WITH A NONPROFIT COMMUNITY BASED ORGANIZATION THAT SPONSORS A PROFESSIONAL OR YOUTH SPORTING EVENT THAT PROVIDE FOR THE PAYMENT TO THE ORGANIZATION OF A TICKET SURCHARGE OR FACILITY USER FEE ASSOCIATED WITH PARKING IF THE AUTHORITY HAS FULLY PAID THE CURRENT YEAR'S REQUIRED PRINCIPAL AND INTEREST PAYMENTS ON ANY OUTSTANDING AUTHORITY BONDS FOR WHICH THESE REVENUES WERE PLEDGED PURSUANT TO ARTICLE 3 OF THIS CHAPTER.

D. THE AUTHORITY SHALL COMPLY WITH ZONING, LIGHTING AND ALL OTHER LAWS AND ORDINANCES OF THE COUNTY, CITY OR TOWN WITH ZONING JURISDICTION OVER ANY PROPERTY OWNED BY THE AUTHORITY.

E. THE AUTHORITY BOARD SHALL APPOINT AN ADVISORY BOARD CONSISTING OF MEMBERS REPRESENTING A BROAD SPECTRUM OF INTERESTED PARTIES FOR THE PURPOSE OF ADVISING THE AUTHORITY IN ITS ACTIVITIES TO FULLY PERFORM AND ACCOMPLISH ITS PURPOSES.

5-1105. <u>Executive director; duties</u>

A. THE EXECUTIVE DIRECTOR OF THE AUTHORITY IS RESPONSIBLE TO THE AUTHORITY BOARD FOR MANAGING, ADMINISTERING AND SUPERVISING THE ACTIVITIES OF THE AUTHORITY.

B. THE EXECUTIVE DIRECTOR SHALL NEGOTIATE, MAKE, EXECUTE, ACKNOWLEDGE AND PERFORM CONTRACTS AND OTHER AGREEMENTS IN THE INTEREST OF THE AUTHORITY OR TO CARRY OUT OR ACCOMPLISH THE PURPOSES OF THIS CHAPTER, INCLUDING CONSTRUCTION CONTRACTS AND AGREEMENTS WITH USERS OF A MULTIPURPOSE FACILITY, ALL OF WHICH ARE SUBJECT TO APPROVAL BY THE AUTHORITY BOARD.

C. THE EXECUTIVE DIRECTOR SHALL:

1. EMPLOY A FISCAL AGENT TO DEPOSIT, HOLD, INVEST AND DISBURSE THE AUTHORITY'S MONIES.

2. EMPLOY ADMINISTRATIVE AND CLERICAL EMPLOYEES AND PRESCRIBE THE TERMS AND CONDITIONS OF THEIR EMPLOYMENT AS NECESSARY TO CARRY OUT THE PURPOSES OF THE AUTHORITY. EMPLOYEES OF THE AUTHORITY ARE CONSIDERED TO BE PUBLIC EMPLOYEES FOR PURPOSES OF TITLE 38.

3. RECOMMEND THE EMPLOYMENT OF CONSULTANTS BY THE AUTHORITY BOARD, INCLUDING OUTSIDE COUNSEL AND A PROFESSIONAL FACILITY MANAGEMENT COMPANY.

4. DIRECT THE ACTIVITIES OF OUTSIDE CONSULTANTS.

5-1106. <u>Major league baseball spring training facilities; local financial participation</u>

A. THE AUTHORITY MAY:

1. ACQUIRE LAND OR CONSTRUCT, FINANCE, FURNISH, IMPROVE, MARKET OR PROMOTE THE USE OF EXISTING OR PROPOSED MAJOR LEAGUE BASEBALL SPRING TRAINING FACILITIES THAT ARE LOCATED IN THE AUTHORITY AND OTHER STRUCTURES, UTILITIES, ROADS, PARKING AREAS OR BUILDINGS NECESSARY FOR FULL USE OF THE TRAINING FACILITIES FOR SPORTS AND OTHER PURPOSES.

2. DO ALL THINGS NECESSARY OR CONVENIENT TO ACCOMPLISH THE PURPOSES DESCRIBED IN THIS SUBSECTION.

B. EXCEPT AS PROVIDED BY SECTION 5-1139, MONIES OF THE AUTHORITY MAY BE USED FOR THE PURPOSES OF:

1. ATTRACTING MAJOR LEAGUE BASEBALL SPRING TRAINING OPERATIONS TO LOCATIONS IN THE AUTHORITY.

2. RETAINING MAJOR LEAGUE BASEBALL SPRING TRAINING OPERATIONS IN THEIR CURRENT LOCATIONS IN THE AUTHORITY.

C. THE AUTHORITY BOARD MAY REQUIRE THAT ANY PROJECT UNDERTAKEN PURSUANT TO THIS SECTION INCLUDE FINANCIAL PARTICIPATION FROM THE COUNTY OR MUNICIPALITY IN WHICH THE PROJECT IS LOCATED, FROM A PRIVATE PARTY OR FROM ANY COMBINATION OF THESE ENTITIES. CAPITAL IMPROVEMENT MONIES SPENT BY A COUNTY, MUNICIPALITY OR PRIVATE PARTY FOR A PURPOSE AUTHORIZED BY THIS SECTION MAY BE CONSIDERED TO BE FINANCIAL PARTICIPATION WITH RESPECT TO ANY PROJECT THE AUTHORITY MAY UNDERTAKE IF THE EXPENDITURES OCCUR AFTER THE AUTHORITY IS ESTABLISHED.

D. FOR THE PURPOSES OF FINANCING, DESIGNING OR CONSTRUCTING FACILITIES OR STRUCTURES, THE AUTHORITY IS NOT THE AGENT OF ANY OTHER PARTY PARTICIPATING IN THE FUNDING OF THE FACILITY OR STRUCTURE.

E. BEFORE UNDERTAKING THE PLANNING OR CONSTRUCTION OF THE FIRST NEW FACILITY UNDER THIS SECTION, THE AUTHORITY BOARD MAY CONSIDER THE COSTS OF ANTICIPATED REQUIRED RENOVATIONS OF EXISTING FACILITIES AND SHALL CONSIDER SUCH COSTS FOR SUBSEQUENT NEW FACILITIES.

5-1107. Youth sports and recreation; local financial participation

A. EXCEPT AS PROVIDED BY SECTION 5-1139, THE AUTHORITY SHALL SPEND AT LEAST TEN PER CENT OF ITS GENERAL REVENUES FOR THE PURPOSE OF PROMOTING YOUTH SPORTS AND RECREATION AND MAY:

1. ACQUIRE LAND OR CONSTRUCT, FINANCE, FURNISH, MAINTAIN, IMPROVE, OPERATE, MARKET OR PROMOTE THE USE OF YOUTH SPORTS FACILITIES, RECREATIONAL FACILITIES AND OTHER COMMUNITY FACILITIES OR PROGRAMS THAT ARE LOCATED IN THE AUTHORITY.

2. DO ALL THINGS NECESSARY OR CONVENIENT TO ACCOMPLISH THE PURPOSES DESCRIBED IN THIS SUBSECTION.

B. THE AUTHORITY BOARD MAY REQUIRE THAT ANY PROJECT UNDERTAKEN PURSUANT TO THIS SECTION INCLUDE FINANCIAL PARTICIPATION FROM THE COUNTY, MUNICIPALITY OR SCHOOL DISTRICT IN WHICH THE PROJECT IS LOCATED, FROM ANY OTHER PARTY OR FROM ANY COMBINATION OF THESE ENTITIES. CAPITAL IMPROVEMENT MONIES SPENT BY A COUNTY, MUNICIPALITY, SCHOOL DISTRICT OR OTHER PARTY FOR A PURPOSE AUTHORIZED BY THIS SECTION MAY BE CONSIDERED TO BE FINANCIAL PARTICIPATION WITH RESPECT TO ANY PROJECT THE AUTHORITY MAY UNDERTAKE IF THE EXPENDITURES OCCUR AFTER THE AUTHORITY IS ESTABLISHED.

C. FOR THE PURPOSES OF FINANCING, DESIGNING, CONSTRUCTING OR OPERATING FACILITIES OR STRUCTURES, THE AUTHORITY IS NOT THE AGENT OF ANY OTHER PARTY PARTICIPATING IN THE FUNDING OF THE FACILITY OR STRUCTURE AFTER THE AUTHORITY IS ESTABLISHED.

D. FOR THE PURPOSES OF SUBSECTION A OF THIS SECTION, THE AMOUNT SPENT SHALL BE MEASURED AT THE END OF EVERY TENTH FISCAL YEAR FOLLOWING THE ESTABLISHMENT OF THE AUTHORITY FOR THE ENTIRE PERIOD SINCE THE FORMATION OF THE AUTHORITY, EXCEPT THAT THE REQUIREMENT SHALL NOT INTERFERE WITH, DELAY OR IMPEDE THE PAYMENT OF ANY AMOUNTS DUE AND PAYABLE ON ANY OUTSTANDING OBLIGATION OF THE AUTHORITY.

5-1108. Gift ban; exemptions

A. A PRINCIPAL OR LOBBYIST OR ANY OTHER PERSON ACTING ON BEHALF OF A PRINCIPAL OR LOBBYIST SHALL NOT GIVE A GIFT TO ANY MEMBER OF THE BOARD OF DIRECTORS OR ANY MEMBER OR EMPLOYEE OF THE AUTHORITY BOARD, AND AN AUTHORITY BOARD MEMBER OR EMPLOYEE SHALL NOT ACCEPT A GIFT FROM A PRINCIPAL OR LOBBYIST.

B. FOR THE PURPOSES OF THIS SECTION, A GIFT DOES NOT INCLUDE ANY OF THE FOLLOWING:

1. SALARY, COMPENSATION OR EMPLOYER REIMBURSED EXPENSES LAWFULLY PAID TO A BOARD MEMBER OR EMPLOYEE.

2. A FAMILY GIFT.

3. AN AWARD OR PRIZE THAT IS GIVEN TO COMPETITORS IN A CONTEST OR EVENT THAT IS OPEN TO THE PUBLIC, INCLUDING A RANDOM DRAWING.

4. ANY DISCOUNT OR OTHER BENEFIT THAT IS OFFERED TO A BOARD MEMBER OR EMPLOYEE ON THE SAME CONDITIONS AS TO THE PUBLIC, TO A CLASS CONSISTING OF

ALL BOARD MEMBERS AND EMPLOYEES OR TO A GROUP OR CLASS IN WHICH MEMBERSHIP IS UNRELATED TO BEING A BOARD MEMBER OR EMPLOYEE.

5. AN EDUCATIONAL EVENT OR SPEAKING ENGAGEMENT.

6. EXPENSES RELATING TO A SPECIAL EVENT OR FUNCTION TO WHICH ALL MEMBERS OF THE BOARD ARE INVITED AND THAT ARE PROPERLY REPORTED.

7. FLOWERS.

8. FOOD AND BEVERAGE.

9. INFORMATIONAL MATERIAL, INCLUDING A BOOK, CALENDAR, PAMPHLET, PERIODICAL, REPORT OR VIDEO.

10. AN ITEM THAT IS NOT USED AND THAT IS RETURNED TO THE DONOR WITHIN FIFTEEN DAYS AFTER RECEIPT OR THAT IS DELIVERED TO A CHARITABLE ORGANIZATION WITHIN FIFTEEN DAYS AFTER RECEIPT AND THAT IS NOT CLAIMED AS A CHARITABLE CONTRIBUTION FOR STATE OR FEDERAL INCOME TAX PURPOSES.

11. AN ITEM THAT IS GIVEN TO A BOARD MEMBER OR EMPLOYEE IF THE BOARD MEMBER OR EMPLOYEE GIVES AN ITEM OF APPROXIMATELY THE SAME VALUE TO THE GIVER OF THE ITEM AT THE SAME TIME THAT THE ITEM IS GIVEN OR ON A SIMILAR OCCASION AS THE ONE THAT PROMPTED THE ORIGINAL ITEM TO BE GIVEN.

12. AN ITEM OF A PERSONAL NATURE THAT WAS CUSTOMARILY RECEIVED BY AN INDIVIDUAL FROM THE DONOR BEFORE THE INDIVIDUAL BECAME A BOARD MEMBER OR EMPLOYEE.

13. AN ITEM THAT IS GIVEN TO THE GENERAL PUBLIC AT AN EVENT.

14. AN ITEM OF NOMINAL VALUE SUCH AS A GREETING CARD, BASEBALL CAP, T-SHIRT, MUG OR PEN.

15. NONRECREATIONAL TRAVEL OR LODGING, OR BOTH.

16. PERSONAL HOSPITALITY.

17. A PLAQUE, AWARD OR OTHER FORM OF RECOGNITION TO A BOARD MEMBER OR EMPLOYEE TO SIGNIFY THE HONORARY RECOGNITION OF A SERVICE OR OTHER NOTABLE ACCOMPLISHMENT.

18. PROFESSIONAL OR CONSULTING SERVICES THAT ARE RENDERED ON MATTERS DIRECTLY RELATED TO HOLDING A POSITION ON THE BOARD OR BEING AN EMPLOYEE OF THE BOARD AND THAT ARE NOT RENDERED TO OBTAIN A BENEFIT FOR ANY REGISTERED PRINCIPAL, PUBLIC BODY, LOBBYIST, DESIGNATED PUBLIC LOBBYIST OR AUTHORIZED PUBLIC LOBBYIST OR THE CLIENTS OF A PRINCIPAL OR LOBBYIST.

5-1109. Regulating sale, use and consumption of alcoholic beverages

SUBJECT TO THE REQUIREMENTS OF TITLE 4, THE AUTHORITY BOARD MAY PERMIT AND REGULATE THE SALE, USE AND CONSUMPTION OF ALCOHOLIC BEVERAGES AT EVENTS HELD ON PROPERTY ACQUIRED, LEASED OR SUBLEASED UNDER THIS CHAPTER.

5-1110. Conflicts of interest

A. THE MEMBERS OF THE AUTHORITY BOARD ARE SUBJECT TO TITLE 38, CHAPTER 3, ARTICLE 8, RELATING TO CONFLICTS OF INTEREST, INCLUDING THE PENALTIES PRESCRIBED BY SECTION 38-510.

B. A MEMBER OF THE BOARD OF DIRECTORS SHALL NOT HAVE ANY DIRECT OR INDIRECT FINANCIAL INTEREST IN ANY:

1. PROPERTY OWNED, PURCHASED OR CONSTRUCTED BY THE DISTRICT.

2. CONTRACT ENTERED INTO BY THE DISTRICT.

3. PRIVATE CORPORATION OR OTHER ENTITY WITH WHICH THE DISTRICT CONTRACTS.

5-1111. Performance audits

A. BEGINNING IN 2011 AND AT LEAST EVERY FIFTH YEAR THEREAFTER, THE AUDITOR GENERAL SHALL CONDUCT OR CAUSE TO BE CONDUCTED A PERFORMANCE AUDIT, AS DEFINED IN SECTION 41-1278, OF THE AUTHORITY.

B. ON OR BEFORE JUNE 30 OF THE RESPECTIVE YEAR, THE AUDITOR GENERAL SHALL ISSUE A PUBLIC REPORT OF THE PERFORMANCE AUDIT, INCLUDING FINDINGS AND SPECIFIC RECOMMENDATIONS FOR STATUTORY AND ADMINISTRATIVE CHANGES TO IMPROVE THE OPERATION OF THE AUTHORITY. THE AUDITOR GENERAL SHALL SUBMIT COPIES OF THE REPORT TO THE GOVERNOR, THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, THE SECRETARY OF STATE AND THE ARIZONA STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS.

C. THE AUTHORITY BOARD SHALL PAY THE COSTS OF THE PERFORMANCE AUDITS PRESCRIBED BY THIS SECTION FROM THE AUTHORITY'S GENERAL FUND.

5-1112. Quarterly report; appearance before joint legislative budget committee

A. WITHIN SIX WEEKS AFTER THE END OF EACH CALENDAR QUARTER THE AUTHORITY SHALL PREPARE A REPORT SIGNED BY THE EXECUTIVE DIRECTOR AND TRANSMIT THE REPORT TO THE GOVERNOR, THE LEGISLATURE, AS PROVIDED BY SECTION 41-1178, AND THE JOINT LEGISLATIVE BUDGET COMMITTEE. THE REPORT SHALL INCLUDE A PROGRESS REPORT OF THE ACTIVITIES OF THE AUTHORITY DURING THE PREVIOUS QUARTER.

B. AT THE REQUEST OF THE CHAIRPERSON OF THE JOINT LEGISLATIVE BUDGET COMMITTEE, THE EXECUTIVE DIRECTOR SHALL APPEAR BEFORE THE JOINT LEGISLATIVE BUDGET COMMITTEE TO REPORT ON THE ACTIVITIES AND FINANCIAL PERFORMANCE OF THE AUTHORITY DURING THE PREVIOUS YEAR.

ARTICLE 2. FINANCIAL PROVISIONS

5-1131. Annual budget

A. ON OR BEFORE MAY 31 OF EACH YEAR, THE AUTHORITY BOARD SHALL HOLD A PUBLIC HEARING TO ADOPT A BUDGET FOR THE FOLLOWING FISCAL YEAR THAT INCLUDES:

1. RECEIPTS DURING THE PRECEDING FISCAL YEAR.

2. EXPENDITURES DURING THE PRECEDING FISCAL YEAR.

3. ESTIMATES OF AMOUNTS NECESSARY FOR EXPENSES DURING THE FOLLOWING FISCAL YEAR, INCLUDING AMOUNTS PROPOSED FOR:

(a) COSTS OF PLANNING, CONSTRUCTING, FINANCING AND MAINTAINING THE AUTHORITY'S FACILITIES.

(b) ADMINISTRATIVE COSTS OF THE AUTHORITY.

4. ANTICIPATED REVENUE TO THE AUTHORITY FROM EACH SOURCE IN THE FOLLOWING FISCAL YEAR.

5. A COMPLETE ASSET AND LIABILITY STATEMENT.

6. A STATEMENT OF PROFIT OR LOSS.

7. CASH ON HAND AS OF THE DATE THE BUDGET IS ADOPTED AND THE ANTICIPATED BALANCE AT THE END OF THE CURRENT FISCAL YEAR.

8. AN ITEMIZED STATEMENT OF COMMITMENTS, RESERVES AND ANTICIPATED OBLIGATIONS FOR THE FOLLOWING FISCAL YEAR.

B. THE AUTHORITY BOARD:

1. SHALL TRANSMIT A COPY OF THE BUDGET TO THE DISTRICT BOARD OF DIRECTORS.

2. MAY AMEND THE BUDGET ON A FINDING OF GOOD CAUSE.

5-1132. General fund; investments

A. THE AUTHORITY SHALL MAINTAIN A GENERAL FUND AND MAY ESTABLISH ACCOUNTS AND SUBACCOUNTS WITHIN THE GENERAL FUND AS NECESSARY AND CONVENIENT. ALL REVENUES AND MONIES RECEIVED BY THE AUTHORITY SHALL INITIALLY BE DEPOSITED IN THE GENERAL FUND.

B. THE AUTHORITY MAY INVEST ANY UNEXPENDED MONIES IN THE FUND AS PROVIDED IN TITLE 35, CHAPTER 2. INTEREST AND OTHER INCOME FROM INVESTMENTS OF MONIES IN ANY ACCOUNT SHALL BE CREDITED TO THAT ACCOUNT EXCEPT AS OTHERWISE PROVIDED BY LAW.

C. THE AUTHORITY'S INVESTMENTS MUST MATURE WHEN THE FUND ASSETS WILL BE REQUIRED FOR THE PURPOSES OF THIS CHAPTER. IF THE LIQUID ASSETS IN THE FUND OR ANY ACCOUNT OR SUBACCOUNT BECOME INSUFFICIENT TO MEET THE STATUTORY OBLIGATIONS, THE AUTHORITY BOARD SHALL DIRECT THE AUTHORITY'S FISCAL AGENT TO LIQUIDATE SUFFICIENT SECURITIES TO MEET ALL OF THE CURRENT OBLIGATIONS AND IMMEDIATELY NOTIFY THE DISTRICT BOARD OF DIRECTORS AND THE AUDITOR GENERAL OF THE INSUFFICIENCY. THE AUDITOR GENERAL SHALL INVESTIGATE AND AUDIT THE CIRCUMSTANCES SURROUNDING THE DEPLETION OF THE FUND, ACCOUNT OR SUBACCOUNT AND REPORT THE FINDINGS TO THE AUTHORITY BOARD AND THE BOARD OF DIRECTORS.

5-1133. Excise tax on car rentals

A. THE QUALIFIED ELECTORS, BY MAJORITY VOTE AT AN ELECTION HELD PURSUANT TO SECTION 5-1103, MAY LEVY AND, IF LEVIED, THE DEPARTMENT OF REVENUE SHALL COLLECT AN EXCISE TAX ON THE GROSS PROCEEDS OF SALES OR GROSS INCOME FROM THE BUSINESS OF LEASING OR RENTING MOTOR VEHICLES IN THE AUTHORITY BY A PERSON ENGAGING OR CONTINUING IN A BUSINESS TAXED UNDER TITLE 42, CHAPTER 5 AND CLASSIFIED UNDER SECTION 42-5071, BEGINNING ON THE FIRST DAY OF THE FIRST MONTH BEGINNING NINETY DAYS AFTER THE ELECTION. THE TAX SHALL BE IN EFFECT FOR THREE HUNDRED SIXTY MONTHS EXCEPT AS PROVIDED BY SECTION 5-1139. THE TAX IMPOSED PURSUANT TO THIS SECTION IS IN ADDITION TO ANY OTHER TAXES LEVIED BY THIS STATE OR ANY OTHER POLITICAL SUBDIVISION OF THIS STATE.

B. EXCEPT AS PROVIDED BY SECTION 5-1139, THE RATE OF THE TAX IS .35 PER CENT OF THE TAX BASE PRESCRIBED BY SECTION 42-5071.

C. THE TAX APPLIES TO THE BUSINESS OF LEASING OR RENTING IN THE AUTHORITY, FOR LESS THAN ONE YEAR, MOTOR VEHICLES FOR HIRE WITHOUT A DRIVER THAT ARE DESIGNED TO OPERATE ON THE STREETS AND HIGHWAYS OF THIS STATE AND THAT ARE PRIMARILY INTENDED TO CARRY NOT MORE THAN FOURTEEN PASSENGERS, REGARDLESS OF WHETHER THE VEHICLE IS REGISTERED OR LICENSED IN THIS STATE.

D. THE TAX DOES NOT APPLY TO THE LEASE OR RENTAL OF:

1. A MOTOR VEHICLE AS A TEMPORARY REPLACEMENT VEHICLE THAT IS LOANED AT NO CHARGE BY A REPAIR FACILITY OR DEALER FOR USE WHILE THE VEHICLE THAT IT IS REPLACING IS NOT IN SERVICE BECAUSE OF BREAKDOWN, REPAIR, SERVICE, DAMAGE OR LOSS.

2. A MOTOR VEHICLE TO AN AUTOMOBILE DEALERSHIP, A REPAIR FACILITY, AN INSURANCE COMPANY OR ANY OTHER PERSON THAT PROVIDES THAT VEHICLE AT NO CHARGE TO A PERSON WHOSE OWN MOTOR VEHICLE IS BEING REPAIRED, ADJUSTED OR SERVICED.

E. THE TAX IS NOT TAXABLE UNDER SECTION 42-5071.

5-1134. Excise tax on hotels and motels

A. THE QUALIFIED ELECTORS, BY MAJORITY VOTE AT AN ELECTION HELD PURSUANT TO SECTION 5-1103, MAY LEVY AND, IF LEVIED, THE DEPARTMENT OF REVENUE SHALL COLLECT A TAX ON THE GROSS PROCEEDS OF SALES OR GROSS INCOME FROM THE BUSINESS OF EVERY PERSON ENGAGING OR CONTINUING IN A BUSINESS TAXED UNDER TITLE 42, CHAPTER 5 AND CLASSIFIED UNDER SECTION 42-5070 WITHIN THE AUTHORITY. A TAX UNDER THIS SECTION IS IN ADDITION TO THE TAX IMPOSED BY TITLE 42, CHAPTER 5 AND ANY TAX IMPOSED BY ANY OTHER POLITICAL SUBDIVISION IN THE AUTHORITY.

B. IF LEVIED, THE TAX SHALL BE LEVIED UNDER THIS SECTION BEGINNING ON THE FIRST DAY OF THE FIRST MONTH BEGINNING NINETY DAYS AFTER THE ELECTION, AND SHALL CONTINUE IN THIS MANNER FOR THREE HUNDRED SIXTY MONTHS EXCEPT AS PROVIDED BY SECTION 5-1139.

C. EXCEPT AS PROVIDED BY SECTION 5-1139, THE RATE OF THE TAX IS .45 PER CENT OF THE TAX BASE PRESCRIBED BY SECTION 42-5070.

5-1135. Tax on restaurants and bars

A. THE QUALIFIED ELECTORS, BY MAJORITY VOTE AT AN ELECTION HELD PURSUANT TO SECTION 5-1103, MAY LEVY AND, IF LEVIED, THE DEPARTMENT OF REVENUE SHALL COLLECT A TAX ON THE GROSS PROCEEDS OF SALES OR GROSS INCOME FROM THE BUSINESS OF EVERY PERSON ENGAGING OR CONTINUING IN A BUSINESS TAXED UNDER TITLE 42, CHAPTER 5 AND CLASSIFIED UNDER SECTION 42-5074 IN THE AUTHORITY. A TAX UNDER THIS SECTION IS IN ADDITION TO THE TAX IMPOSED BY TITLE 42, CHAPTER 5 AND ANY TAX IMPOSED BY ANY OTHER POLITICAL SUBDIVISION IN THE AUTHORITY.

B. IF LEVIED, THE TAX SHALL BE LEVIED UNDER THIS SECTION BEGINNING ON THE FIRST DAY OF THE FIRST MONTH BEGINNING NINETY DAYS AFTER THE ELECTION, AND SHALL CONTINUE IN THIS MANNER FOR THREE HUNDRED SIXTY MONTHS EXCEPT AS PROVIDED BY SECTION 5-1139.

C. EXCEPT AS PROVIDED BY SECTION 5-1139, THE RATE OF THE TAX IS .25 PER CENT OF THE TAX BASE PRESCRIBED BY SECTION 42-5074.

5-1136. Tax on amusements and sporting events

A. THE QUALIFIED ELECTORS, BY MAJORITY VOTE AT AN ELECTION HELD PURSUANT TO SECTION 5-1103, MAY LEVY AND, IF LEVIED, THE DEPARTMENT OF REVENUE SHALL COLLECT A TAX ON THE GROSS PROCEEDS OF SALES OR GROSS INCOME FROM PERSONS TAXED UNDER TITLE 42, CHAPTER 5 AND CLASSIFIED UNDER SECTION 42-5073 IN THE AUTHORITY.

B. IF LEVIED, THE TAX SHALL BE LEVIED UNDER THIS SECTION BEGINNING ON THE FIRST DAY OF THE FIRST MONTH BEGINNING NINETY DAYS AFTER THE ELECTION, AND SHALL CONTINUE IN THIS MANNER FOR THREE HUNDRED SIXTY MONTHS EXCEPT AS PROVIDED BY SECTION 5-1139.

C. EXCEPT AS PROVIDED BY SECTION 5-1139, THE RATE OF THE TAX IS .35 PER CENT OF THE TAX BASE PRESCRIBED BY SECTION 42-5073.

5-1137. Tax on retail

A. THE QUALIFIED ELECTORS, BY MAJORITY VOTE AT AN ELECTION HELD PURSUANT TO SECTION 5-1103, MAY LEVY AND, IF LEVIED, THE DEPARTMENT OF REVENUE SHALL COLLECT A TAX ON THE GROSS PROCEEDS OF SALES OR GROSS INCOME FROM THE BUSINESS OF EVERY PERSON ENGAGING OR CONTINUING IN A BUSINESS TAXED UNDER TITLE 42, CHAPTER 5 AND CLASSIFIED UNDER SECTION 42-5061 IN THE AUTHORITY. A TAX UNDER THIS SECTION IS IN ADDITION TO THE TAX IMPOSED BY TITLE 42, CHAPTER 5 AND ANY TAX IMPOSED BY ANY OTHER POLITICAL SUBDIVISION IN THE AUTHORITY.

B. IF LEVIED, THE TAX SHALL BE LEVIED UNDER THIS SECTION BEGINNING ON THE FIRST DAY OF THE FIRST MONTH BEGINNING NINETY DAYS AFTER THE ELECTION, AND SHALL CONTINUE IN THIS MANNER FOR THREE HUNDRED SIXTY MONTHS EXCEPT AS PROVIDED BY SECTION 5-1139.

C. EXCEPT AS PROVIDED BY SECTION 5-1139, THE RATE OF THE TAX IS .15 PER CENT OF THE TAX BASE PRESCRIBED BY SECTION 42-5061.

5-1138. Administration of tax

A. UNLESS THE CONTEXT OTHERWISE REQUIRES, SECTION 42-6102 GOVERNS THE ADMINISTRATION OF THE TAXES IMPOSED UNDER THIS ARTICLE.

B. EACH MONTH THE STATE TREASURER SHALL TRANSMIT THE NET REVENUES COLLECTED PURSUANT TO THIS ARTICLE TO THE AUTHORITY FOR DEPOSIT IN THE GENERAL FUND.

5-1139. Conditional reduction of district taxes

A. IF, SEVENTY-TWO MONTHS AFTER THE DISTRICT IS ESTABLISHED, AT LEAST TWO MAJOR LEAGUE BASEBALL FRANCHISES HAVE NOT EXECUTED BINDING CONTRACTUAL AGREEMENTS FOR USE OF STADIUMS AND OTHER FACILITIES IN THE DISTRICT AS THEIR EXCLUSIVE SITES FOR SPRING TRAINING OPERATIONS FOR TERMS OF AT LEAST TEN YEARS, THE RESPECTIVE TAX RATES PRESCRIBED BY SECTIONS 5-1133 THROUGH 5-1137 ARE REDUCED BY FIFTY PER CENT AS PROVIDED BY PARAGRAPH 2 OF THIS SUBSECTION, AND THE DISTRICT SHALL USE ALL REVENUES PRODUCED BY THE REDUCED RATES EXCLUSIVELY FOR THE PROMOTION OF YOUTH AND AMATEUR SPORTS AS PROVIDED BY SECTION 5-1107. IF THE CONDITION DESCRIBED BY THIS SUBSECTION OCCURS:

1. THE EXECUTIVE DIRECTOR SHALL NOTIFY THE DEPARTMENT OF REVENUE IN WRITING ON OR BEFORE THE DATE THAT IS SEVENTY-TWO MONTHS AFTER THE DISTRICT IS ESTABLISHED.

2. THE REDUCED TAX RATES ARE EFFECTIVE ON THE FIRST DAY OF THE FIRST MONTH THAT IS AT LEAST NINETY DAYS AFTER THE DATE OF NOTIFICATION.

B. IF, AT ANY SUBSEQUENT TIME, AT LEAST TWO MAJOR LEAGUE BASEBALL FRANCHISES EXECUTE BINDING CONTRACTUAL AGREEMENTS FOR USE OF STADIUMS AND OTHER FACILITIES IN THE DISTRICT AS THEIR EXCLUSIVE SITES FOR SPRING TRAINING

OPERATIONS FOR TERMS OF AT LEAST TEN YEARS, THE RESPECTIVE TAX RATES PRESCRIBED BY SECTIONS 5-1133 THROUGH 5-1137 SHALL BE REINSTATED AT THE FULL AMOUNTS AS PROVIDED BY PARAGRAPH 2 OF THIS SUBSECTION, AND THE DISTRICT SHALL USE THE REVENUES AS PROVIDED BY LAW WITHOUT CONDITION. IF THE CONDITION DESCRIBED BY THIS SUBSECTION OCCURS:

1. THE EXECUTIVE DIRECTOR SHALL NOTIFY THE DEPARTMENT OF REVENUE IN WRITING ON OR BEFORE THE DATE THAT THE SECOND CONTRACT IS ENTERED INTO.

2. THE INCREASED TAX RATES ARE EFFECTIVE ON THE FIRST DAY OF THE FIRST MONTH THAT IS AT LEAST NINETY DAYS AFTER THE DATE OF NOTIFICATION.

5-1140. Annual audit

A. THE BOARD OF DIRECTORS OF THE DISTRICT SHALL CAUSE AN ANNUAL AUDIT TO BE CONDUCTED OF EACH OF THE AUTHORITY'S FUNDS, ACCOUNTS AND SUBACCOUNTS BY AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT WITHIN ONE HUNDRED TWENTY DAYS AFTER THE END OF THE FISCAL YEAR.

B. THE BOARD SHALL IMMEDIATELY FILE A CERTIFIED COPY OF THE AUDIT WITH THE AUDITOR GENERAL. THE AUDITOR GENERAL MAY MAKE SUCH FURTHER AUDITS AND EXAMINATIONS AS NECESSARY AND MAY TAKE APPROPRIATE ACTION RELATING TO THE AUDIT OR EXAMINATION PURSUANT TO TITLE 41, CHAPTER 7, ARTICLE 10.1. IF THE AUDITOR GENERAL TAKES NO FURTHER ACTION WITHIN THIRTY DAYS AFTER THE AUDIT IS FILED, THE AUDIT IS CONSIDERED TO BE SUFFICIENT.

C. THE AUTHORITY BOARD SHALL PAY NEGOTIATED AND APPROVED FEES AND COSTS OF THE CERTIFIED PUBLIC ACCOUNTANT AND AUDITOR GENERAL UNDER THIS SECTION FROM THE AUTHORITY'S GENERAL FUND.

ARTICLE 3. REVENUE BONDS

5-1161. Definitions

IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1. "BOND" MEANS ANY OBLIGATION AUTHORIZED AND ISSUED PURSUANT TO THIS ARTICLE, INCLUDING:

(a) BONDS AND NOTES.

(b) CERTIFICATES OF PARTICIPATION IN A LEASE-PURCHASE OR CERTIFICATES OF PURCHASE IN A LEASE OR INSTALLMENT PURCHASE AGREEMENT.

(c) OBLIGATIONS THAT ARE AUTHORIZED AND ISSUED TO REFUND OR REFINANCE OBLIGATIONS THAT ARE AUTHORIZED AND ISSUED PURSUANT TO THIS ARTICLE.

2. "BOND RELATED EXPENSES" MEANS ANY EXPENSES INCURRED BY THE AUTHORITY FOR ISSUING AND ADMINISTERING ITS BONDS, INCLUDING UNDERWRITING FEES AND COSTS, TRUSTEE FEES, FINANCIAL CONSULTANT FEES, PRINTING AND ADVERTISING COSTS, PAYING AGENT FEES, TRANSFER AGENT FEES, LEGAL, ACCOUNTING, FEASIBILITY CONSULTANT AND OTHER PROFESSIONAL FEES AND EXPENSES, CREDIT ENHANCEMENT FEES, ATTORNEY AND ACCOUNTING FEES AND EXPENSES RELATED TO CREDIT ENHANCEMENT, BOND INSURANCE OR LIQUIDITY ENHANCEMENT, REMARKETING FEES, RATING AGENCY FEES AND COSTS, TRAVEL AND TELEPHONE EXPENSES AND ALL OTHER FEES CONSIDERED NECESSARY BY THE AUTHORITY BOARD IN ORDER TO MARKET AND ADMINISTER THE BONDS.

3. "SPORTS AUTHORITY PURPOSE" INCLUDES:

(a) THE CAPITAL COSTS OF ACQUIRING, DESIGNING, DEVELOPING, CONSTRUCTING, RECONSTRUCTING, EQUIPPING, FURNISHING, REPAIRING, MAINTAINING AND IMPROVING STADIUMS AND MULTIPURPOSE FACILITIES, DIRECTLY RELATED IMPROVEMENTS AND INFRASTRUCTURE, EXCEPT AS OTHERWISE LIMITED BY THIS ARTICLE. FOR THE PURPOSES OF THIS SUBDIVISION, "INFRASTRUCTURE" MEANS IMPROVEMENTS THAT WILL DIRECTLY AND PRINCIPALLY BENEFIT THE STADIUM OR MULTIPURPOSE FACILITY AND INCLUDES:

(i) SANITARY SEWAGE SYSTEMS.

(ii) DRAINAGE AND FLOOD CONTROL SYSTEMS.

(iii) WATER SYSTEMS.

(iv) ROADWAYS FOR ACCESS, ENTRY AND EXIT AND PARKING FACILITIES.

(v) PEDESTRIAN AND OTHER NONMOTORIZED FACILITIES FOR ACCESS, ENTRY AND EXIT AND PARKING.

(vi) LANDSCAPING.

(vii) LIGHTING SYSTEMS.

(viii) TRAFFIC CONTROL SYSTEMS, SIGNALS, CONTROLS, MARKINGS AND SIGNAGE.

(b) THE PAYMENT OF BONDS.

(c) BOND RELATED EXPENSES.

5-1162. Obligation for the bonds

BONDS ISSUED UNDER THIS ARTICLE:

1. ARE PAYABLE ONLY ACCORDING TO THEIR TERMS.

2. ARE OBLIGATIONS OF THE AUTHORITY.

3. ARE NOT GENERAL, SPECIAL OR OTHER OBLIGATIONS OF THIS STATE, OR OF THE COUNTY OR ANY CITY OR TOWN LOCATED IN THE AUTHORITY. THE MEMBERS OF THE BOARD OF DIRECTORS AND THE AUTHORITY BOARD AND PERSONS WHO EXECUTE THE BONDS ARE NOT PERSONALLY LIABLE FOR PAYMENT OF THE BONDS.

4. DO NOT CONSTITUTE A DEBT OF THIS STATE OR OF THE COUNTY OR ANY CITY OR TOWN LOCATED IN THE AUTHORITY.

5. ARE NOT ENFORCEABLE AGAINST THIS STATE. PAYMENT OF THE BONDS IS ENFORCEABLE ONLY OUT OF ANY MONIES OR ASSETS OF THE AUTHORITY SPECIFICALLY PLEDGED AND ASSIGNED TO OR IN TRUST FOR THE BENEFIT OF THE HOLDER OR HOLDERS OF THE BONDS.

5-1163. Authorization of bonds

A. THE AUTHORITY MAY ISSUE BONDS PURSUANT TO THIS ARTICLE IN A PRINCIPAL AMOUNT THAT IS NECESSARY TO:

1. PROVIDE SUFFICIENT MONIES FOR ANY SPORTS AUTHORITY PURPOSES.

2. ESTABLISH AND FULLY OR PARTIALLY FUND ANY REQUIRED RESERVES OR SINKING ACCOUNTS.

3. ISSUE REFUNDING BONDS TO REFUND BONDS ISSUED BY THE AUTHORITY IF THE AUTHORITY BOARD CONSIDERS REFUNDING TO BE EXPEDIENT. THE BOARD MAY PROVIDE FOR INVESTING AND HOLDING THE PROCEEDS OF THE REFUNDING BONDS IN TRUST FOR THE BENEFIT OF THE HOLDERS OF THE BONDS BEING REFUNDED.

B. THE AUTHORITY BOARD SHALL AUTHORIZE THE BONDS BY RESOLUTION. THE RESOLUTION SHALL PRESCRIBE:

1. THE REVENUE SOURCES THAT ARE PLEDGED AND DEDICATED TO SECURE THE BONDS.

2. THE RATE OR RATES OF INTEREST, WHICH MAY BE FIXED OR VARIABLE, THE DATE OR DATES ON WHICH INTEREST IS PAYABLE AND THE DENOMINATIONS OF THE BONDS.

3. THE DATE OR DATES OF THE BONDS AND MATURITY, WHICH SHALL BE WITHIN THIRTY YEARS AFTER THE DATE OF ISSUANCE.

4. THE MANNER OF EXECUTING THE BONDS.

5. THE MEDIUM AND PLACE OF PAYMENT.

6. THE TERMS OF REDEMPTION, WHICH MAY PROVIDE FOR A PREMIUM FOR EARLY REDEMPTION.

5-1164. Issuance and sale of bonds

A. THE AUTHORITY BOARD SHALL ISSUE THE BONDS IN THE NUMBER AND AMOUNT PROVIDED IN THE RESOLUTION. THE AUTHORITY BOARD SHALL PROVIDE PUBLISHED NOTICE WITHIN FIFTEEN DAYS TO THE PUBLIC AND TO THE DISTRICT BOARD OF DIRECTORS OF ITS INTENTION TO ISSUE BONDS.

B. THE BONDS MAY BE SOLD BY COMPETITIVE PUBLIC SALE, THROUGH AN ONLINE BIDDING PROCESS OR AT NEGOTIATED SALE FOR PUBLIC OR PRIVATE OFFERING AT THE PRICE AND ON THE TERMS PRESCRIBED IN THE RESOLUTION. FOR THE PURPOSES OF THIS SUBSECTION, "ONLINE BIDDING PROCESS" MEANS A PROCUREMENT PROCESS IN WHICH THE BOARD RECEIVES BIDS ELECTRONICALLY OVER THE INTERNET IN A REAL-TIME, COMPETITIVE BIDDING EVENT.

C. THE PROCEEDS FROM THE SALE OF THE BONDS SHALL BE DEPOSITED IN THE BOND PROCEEDS ACCOUNT ESTABLISHED PURSUANT TO SECTION 5-1165.

D. TITLE 35, CHAPTER 3, ARTICLE 7 APPLIES TO THE AUTHORITY BOARD AND TO BONDS ISSUED UNDER THIS ARTICLE.

5-1165. Bond proceeds account

A. IF THE AUTHORITY ISSUES BONDS UNDER THIS ARTICLE, THE AUTHORITY BOARD SHALL ESTABLISH A BOND PROCEEDS ACCOUNT WITHIN THE GENERAL FUND CONSISTING OF MONIES RECEIVED FROM THE SALE OF THE BONDS.

B. THE AUTHORITY BOARD MAY USE MONIES IN THE BOND PROCEEDS ACCOUNT ONLY FOR SPORTS AUTHORITY PURPOSES IN THE MANNER PRESCRIBED BY THIS CHAPTER.

C. THE AUTHORITY'S FISCAL AGENT SHALL ADMINISTER AND ACCOUNT FOR THE BOND PROCEEDS ACCOUNT.

5-1166. Debt service account

A. IF THE AUTHORITY ISSUES BONDS UNDER THIS ARTICLE, THE AUTHORITY BOARD SHALL ESTABLISH A DEBT SERVICE ACCOUNT WITHIN THE GENERAL FUND CONSISTING OF MONIES DESIGNATED AND DEDICATED BY THE BOARD FOR REPAYMENT OF THE BONDS AND PAYMENT OF COSTS AND RELATED EXPENSES ASSOCIATED WITH REDEEMING THE BONDS.

B. MONIES IN THE DEBT SERVICE ACCOUNT MAY BE USED ONLY FOR THE PURPOSES AUTHORIZED BY THIS ARTICLE.

C. THE AUTHORITY'S FISCAL AGENT SHALL ADMINISTER AND ACCOUNT FOR THE DEBT SERVICE ACCOUNT.

5-1167. Securing principal and interest

IN CONNECTION WITH ISSUING BONDS AUTHORIZED BY THIS ARTICLE AND TO SECURE THE PRINCIPAL AND INTEREST ON THE BONDS, THE AUTHORITY BOARD BY RESOLUTION MAY:

1. PLEDGE FOR THE PAYMENT OF PRINCIPAL AND INTEREST ON THE BONDS ALL OR PART OF THE REVENUES AND OTHER MONIES RECEIVED BY THE AUTHORITY AND DEPOSITED IN THE GENERAL FUND OR ANY ACCOUNT OR SUBACCOUNT OF THE GENERAL FUND.

2. PLEDGE AND ASSIGN TO OR IN TRUST FOR THE BENEFIT OF THE HOLDER OR HOLDERS OF THE BONDS ALL OR PART OF THE MONIES IN THE DEBT SERVICE ACCOUNT OR ANY OTHER ACCOUNT OR SUBACCOUNT AS NECESSARY TO SECURE AND PAY THE PRINCIPAL, THE INTEREST AND ANY PREMIUM ON THE BONDS AS THEY COME DUE.

3. SEGREGATE THE DEBT SERVICE ACCOUNT INTO ONE OR MORE SUBACCOUNTS AND PROVIDE THAT BONDS ISSUED UNDER THIS ARTICLE MAY BE SECURED BY A LIEN ON ALL OR PART OF THE MONIES PAID INTO THE DEBT SERVICE ACCOUNT OR INTO ANY SUBACCOUNT IN THE DEBT SERVICE ACCOUNT.

4. ESTABLISH PRIORITIES AMONG BONDHOLDERS BASED ON CRITERIA ADOPTED BY THE BOARD.

5. SET ASIDE, REGULATE AND DISPOSE OF RESERVES AND SINKING ACCOUNTS.

6. PRESCRIBE THE PROCEDURE, IF ANY, BY WHICH THE TERMS OF ANY CONTRACT WITH BONDHOLDERS MAY BE AMENDED OR ABROGATED, THE AMOUNT OF BONDS THE HOLDERS OF WHICH MUST CONSENT TO AND THE MANNER IN WHICH THE CONSENT MAY BE GIVEN.

7. PROVIDE FOR PAYMENT OF BOND RELATED EXPENSES FROM THE PROCEEDS OF THE SALE OF THE BONDS OR OTHER REVENUES AVAILABLE TO THE BOARD.

8. PROVIDE FOR THE SERVICES OF TRUSTEES, COTRUSTEES, AGENTS AND CONSULTANTS AND OTHER SPECIALIZED SERVICES WITH RESPECT TO THE BONDS.

9. TAKE ANY OTHER ACTION THAT IN ANY WAY MAY ENHANCE THE SECURITY AND PROTECTION OF THE BONDS OR INTEREST ON THE BONDS.

5-1168. Lien of pledge

A. ANY PLEDGE MADE UNDER THIS ARTICLE IS VALID AND BINDING FROM THE TIME WHEN THE PLEDGE IS MADE.

B. THE MONIES PLEDGED TO THE HOLDERS OF THE BONDS AND RECEIVED BY THE AUTHORITY FOR PLACEMENT IN THE DEBT SERVICE ACCOUNT ARE IMMEDIATELY SUBJECT TO THE LIEN OF THE PLEDGE WITHOUT ANY FURTHER ACT. ANY LIEN OF ANY PLEDGE IS VALID AND BINDING AGAINST ALL PARTIES WHO HAVE CLAIMS OF ANY KIND AGAINST THE AUTHORITY, REGARDLESS OF WHETHER THE PARTIES HAVE NOTICE OF THE LIEN. THE OFFICIAL RESOLUTION OR ANY INSTRUMENT BY WHICH THIS PLEDGE IS CREATED, WHEN ADOPTED BY THE AUTHORITY BOARD, IS NOTICE TO ALL CONCERNED OF THE CREATION OF THE PLEDGE, AND THOSE INSTRUMENTS NEED NOT BE RECORDED IN ANY OTHER PLACE TO PERFECT THE PLEDGE.

5-1169. Bond purchase for cancellation

THE AUTHORITY BOARD MAY PURCHASE BONDS FOR CANCELLATION, USING ANY AVAILABLE MONIES, AT A PRICE NOT EXCEEDING THE FOLLOWING:

1. IF THE BONDS ARE REDEEMABLE AT THE TIME OF PURCHASE, THE APPLICABLE REDEMPTION PRICE PLUS ACCRUED INTEREST TO THE NEXT INTEREST PAYMENT DATE.

2. IF THE BONDS ARE NOT REDEEMABLE AT THE TIME OF PURCHASE, THE APPLICABLE REDEMPTION PRICE ON THE FIRST DATE AFTER PURCHASE ON WHICH THE BONDS BECOME SUBJECT TO REDEMPTION PLUS ACCRUED INTEREST TO THAT DATE.

5-1170. Payment of bonds

A. THE BONDS SHALL BE PAID SOLELY FROM MONIES IN THE DEBT SERVICE ACCOUNT.

B. THE MEMBERS OF THE AUTHORITY BOARD AND ANY PERSONS WHO EXECUTE THE BONDS ARE NOT PERSONALLY LIABLE FOR THE PAYMENT OF THE BONDS.

C. THE AUTHORITY'S FISCAL AGENT SHALL CANCEL ALL BONDS WHEN PAID.

5-1171. Investment of monies in the bond proceeds account

A. THE AUTHORITY BOARD MAY AUTHORIZE THE AUTHORITY'S FISCAL AGENT TO INVEST MONIES IN THE BOND PROCEEDS ACCOUNT IN THE MANNER PRESCRIBED BY SECTION 5-1173.

B. THE ORDER DIRECTING AN INVESTMENT SHALL STATE A DATE ON WHICH THE PROCEEDS FROM THE SALE OF THE BONDS WILL BE NEEDED FOR USE, AND THE FISCAL AGENT SHALL MAKE THE INVESTMENT IN SUCH A WAY AS TO MATURE ON OR BEFORE THE SPECIFIED DATE.

C. ALL MONIES EARNED AS INTEREST OR OTHERWISE DERIVED FROM THE INVESTMENT OF THE MONIES IN THE BOND PROCEEDS ACCOUNT SHALL BE CREDITED AS DESCRIBED IN THE AUTHORIZING RESOLUTION.

5-1172. Investment of monies in the debt service account

A. THE AUTHORITY BOARD MAY AUTHORIZE THE AUTHORITY'S FISCAL AGENT TO INVEST AND REINVEST ANY MONIES IN THE DEBT SERVICE ACCOUNT AS PROVIDED BY SECTION 5-1173.

B. THE ORDER DIRECTING AN INVESTMENT SHALL STATE A DATE ON WHICH THE MONIES AND OTHER RESOURCES IN THE DEBT SERVICE ACCOUNT WILL BE NEEDED FOR USE, AND THE FISCAL AGENT SHALL MAKE THE INVESTMENT IN SUCH A WAY AS TO MATURE ON OR BEFORE THE SPECIFIED DATE.

C. ALL MONIES EARNED AS INTEREST OR OTHERWISE DERIVED FROM THE INVESTMENT OF THE MONIES IN THE DEBT SERVICE ACCOUNT SHALL BE CREDITED AS DESCRIBED IN THE AUTHORIZING RESOLUTION.

5-1173. Authorized investment of monies

A. THE MONIES IN EITHER THE BOND PROCEEDS ACCOUNT OR THE DEBT SERVICE ACCOUNT MAY BE INVESTED AND REINVESTED AT THE DIRECTION OF THE AUTHORITY BOARD IN ANY OF THE FOLLOWING:

1. UNITED STATES TREASURY OBLIGATIONS.

2. CONSOLIDATED FARM LOAN BONDS.

3. OBLIGATIONS ISSUED BY THE FEDERAL INTERMEDIATE CREDIT BANKS OR BONDS FOR COOPERATIVES ON AUTHORITY OF THE FARM CREDIT ACT OF 1933.

4. ANY OTHER OBLIGATIONS GUARANTEED BY THE UNITED STATES GOVERNMENT.

5. ANY INVESTMENTS THAT ARE AUTHORIZED BY ANY OTHER AGENCIES OF THE UNITED STATES GOVERNMENT AND THAT ARE AUTHORIZED TO SECURE PUBLIC DEPOSITS.

6. STATE AND LOCAL GOVERNMENT SERIES UNITED STATES TREASURY SECURITIES.

7. STATE, COUNTY OR MUNICIPAL BONDS ISSUED IN THIS STATE AND ON WHICH THE PAYMENTS OF INTEREST HAVE NOT BEEN DEFERRED.

8. INVESTMENT AGREEMENTS AND REPURCHASE AGREEMENTS COLLATERALIZED BY INVESTMENTS DESCRIBED IN PARAGRAPHS 1 THROUGH 5.

9. INVESTMENT AGREEMENTS FROM PROVIDERS RATED IN ONE OF THE TWO HIGHEST RATING CATEGORIES BY A NATIONALLY RECOGNIZED RATING AGENCY.

B. THE PURCHASE OF THE SECURITIES SHALL BE MADE BY THE AUTHORITY'S FISCAL AGENT ON AUTHORITY OF A RESOLUTION OF THE AUTHORITY BOARD. THE FISCAL AGENT SHALL ACT AS CUSTODIAN OF ALL SECURITIES PURCHASED.

C. THE AUTHORITY BOARD MAY PLACE ANY RESTRICTIONS ON REINVESTMENT YIELD ON BOND PROCEEDS OR ON ANY MONIES PLEDGED TO PAY THE BONDS IF NECESSARY TO COMPLY WITH FEDERAL INCOME TAX LAWS AND REGULATIONS TO GAIN ANY FEDERAL TAX BENEFITS AVAILABLE WITH RESPECT TO THE BONDS.

5-1174. Deposit and disbursement of monies

A. MONIES DERIVED FROM SELLING BONDS UNDER THIS ARTICLE OR PLEDGED OR ASSIGNED TO OR IN TRUST FOR THE BENEFIT OF THE HOLDER OR HOLDERS OF THE BONDS SHALL BE DEPOSITED BY THE AUTHORITY'S FISCAL AGENT IN FINANCIAL INSTITUTIONS THAT THE AUTHORITY BOARD DESIGNATES AND THAT ARE INSURED BY AN AGENCY OR INSTRUMENTALITY OF THE UNITED STATES. THE MONIES SHALL BE DISBURSED AS THE AUTHORITY BOARD DIRECTS AND ACCORDING TO THE TERMS OF ANY AGREEMENTS WITH THE HOLDER OR HOLDERS OF THE BONDS.

B. THIS SECTION SHALL NOT BE CONSTRUED AS LIMITING THE POWER OF THE AUTHORITY BOARD TO AGREE IN CONNECTION WITH THE ISSUANCE OF ANY OF ITS BONDS AS TO THE CUSTODY AND DISPOSITION OF THE MONIES RECEIVED FROM SELLING BONDS OR FROM THE INCOME AND REVENUES PLEDGED OR ASSIGNED TO OR IN TRUST FOR THE BENEFIT OF THE HOLDER OR HOLDERS OF THE BONDS.

5-1175. Characteristics of bonds; negotiability; legal investments; exemption from taxation

A. BONDS ISSUED UNDER THIS ARTICLE ARE FULLY NEGOTIABLE WITHIN THE MEANING AND FOR ALL PURPOSES OF THE UNIFORM COMMERCIAL CODE, SUBJECT ONLY TO ANY PROVISIONS FOR REGISTRATION, REGARDLESS OF WHETHER THE BONDS ACTUALLY CONSTITUTE NEGOTIABLE INSTRUMENTS UNDER THE UNIFORM COMMERCIAL CODE.

B. THE BONDS, THEIR TRANSFER AND THE INCOME FROM THE BONDS ARE AT ALL TIMES FREE FROM TAXATION IN THIS STATE.

C. BONDS ISSUED UNDER THIS ARTICLE:

1. ARE SECURITIES IN WHICH PUBLIC OFFICERS AND BODIES OF THIS STATE AND OF MUNICIPALITIES AND POLITICAL SUBDIVISIONS OF THIS STATE, ALL COMPANIES, ASSOCIATIONS AND OTHER PERSONS CARRYING ON AN INSURANCE BUSINESS, ALL FINANCIAL INSTITUTIONS, INVESTMENT COMPANIES AND OTHER PERSONS CARRYING ON A BANKING BUSINESS, ALL FIDUCIARIES AND ALL OTHER PERSONS WHO ARE AUTHORIZED TO INVEST IN GOVERNMENT OBLIGATIONS MAY PROPERLY AND LEGALLY INVEST.

2. ARE SECURITIES THAT MAY BE DEPOSITED WITH PUBLIC OFFICERS OR BODIES OF THIS STATE AND MUNICIPALITIES AND POLITICAL SUBDIVISIONS OF THIS STATE FOR PURPOSES THAT REQUIRE THE DEPOSIT OF GOVERNMENT BONDS OR OBLIGATIONS.

5-1176. Effect of changing circumstances on bonds; agreement of state

A. BONDS ISSUED UNDER THIS ARTICLE REMAIN VALID AND BINDING OBLIGATIONS OF THE AUTHORITY NOTWITHSTANDING THAT BEFORE THE DELIVERY OF THE BONDS ANY PERSON WHOSE SIGNATURE APPEARS ON THE BONDS CEASES TO BE AN OFFICER OF THE AUTHORITY.

B. AN AMENDMENT OF ANY PROVISION IN THIS CHAPTER DOES NOT DIMINISH OR IMPAIR THE VALIDITY OF BONDS ISSUED UNDER THIS ARTICLE OR THE REMEDIES AND RIGHTS OF BONDHOLDERS.

C. THIS STATE PLEDGES TO AND AGREES WITH THE HOLDERS OF THE BONDS AUTHORIZED BY THIS ARTICLE THAT THIS STATE WILL NOT LIMIT, ALTER OR IMPAIR THE RIGHTS VESTED IN THE AUTHORITY TO RECEIVE THE MONIES NECESSARY TO FULFILL THE TERMS OF ANY AGREEMENTS MADE WITH THE HOLDERS OF THE BONDS, OR IN ANY WAY IMPAIR THE RIGHTS AND REMEDIES OF THE BONDHOLDERS, UNTIL ALL BONDS ISSUED UNDER THIS ARTICLE, TOGETHER WITH INTEREST ON THE BONDS, INTEREST ON ANY UNPAID INSTALLMENTS OF PRINCIPAL OR INTEREST AND ALL COSTS AND EXPENSES IN CONNECTION WITH ANY ACTION OR PROCEEDINGS BY OR ON BEHALF OF THE BONDHOLDERS, ARE FULLY MET AND DISCHARGED. THE AUTHORITY BOARD, AS AGENT FOR THIS STATE, MAY INCLUDE THIS PLEDGE AND UNDERTAKING IN ITS RESOLUTIONS AND INDENTURES AUTHORIZING AND SECURING ITS BONDS.

5-1177. Validity of bonds; legal opinion

A. THIS ARTICLE CONSTITUTES FULL AUTHORITY FOR AUTHORIZING AND ISSUING BONDS WITHOUT REFERENCE TO ANY OTHER LAW OF THIS STATE. NO OTHER LAW WITH REGARD TO AUTHORIZING OR ISSUING OBLIGATIONS OR THAT IN ANY WAY IMPEDES OR RESTRICTS PERFORMING THE ACTS AUTHORIZED BY THIS ARTICLE MAY BE CONSTRUED TO APPLY TO ANY PROCEEDINGS TAKEN OR ACTS DONE PURSUANT TO THIS ARTICLE.

B. THE VALIDITY OF BONDS ISSUED UNDER THIS ARTICLE DOES NOT DEPEND ON AND IS NOT AFFECTED BY THE LEGALITY OF ANY PROCEEDING RELATING TO THE ACQUISITION, CONSTRUCTION, IMPROVEMENT, OPERATION OR MAINTENANCE OF A STADIUM OR MULTIPURPOSE FACILITY FOR WHICH THE BONDS ARE ISSUED.

C. THE AUTHORITY BOARD MAY SUBMIT ANY BONDS TO BE ISSUED UNDER THIS ARTICLE TO A NATIONALLY RECOGNIZED BOND COUNSEL AFTER ALL PROCEEDINGS FOR AUTHORIZING THE BONDS HAVE BEEN COMPLETED. ON SUBMISSION THE COUNSEL SHALL EXAMINE AND PASS ON THE VALIDITY OF THE BONDS AND THE REGULARITY OF THE PROCEEDINGS. IF THE PROCEEDINGS COMPLY WITH THIS ARTICLE, AND IF THE BONDS WHEN DELIVERED AND PAID FOR WILL CONSTITUTE BINDING AND LEGAL OBLIGATIONS OF THE AUTHORITY, THE COUNSEL SHALL CERTIFY ON THE BACK OF EACH BOND, IN SUBSTANCE, THAT IT IS ISSUED ACCORDING TO THE CONSTITUTION AND LAWS OF THIS STATE AND THAT THE INTEREST ON THE BONDS WILL BE EXEMPT FROM STATE TAXES AS PROVIDED BY LAW.

D. THE BONDS SHALL RECITE THAT THEY ARE REGULARLY ISSUED PURSUANT TO THIS ARTICLE. THAT RECITAL, TOGETHER WITH THE LEGAL OPINION UNDER SUBSECTION

C, CONSTITUTES PRIMA FACIE EVIDENCE OF THE LEGALITY AND VALIDITY OF THE BONDS. FROM AND AFTER THE SALE AND DELIVERY OF THE BONDS, THEY ARE INCONTESTABLE BY THIS STATE OR THE AUTHORITY.

Sec. 2. Succession

A sports authority district established pursuant to title 5, chapter 9, Arizona Revised Statutes, as added by this act, succeeds to the responsibilities of any pre-existing sports authority established by the board of supervisors in the county, and all existing contracts, agreements and other legally binding obligations of the pre-existing authority are transferred to and retain their same status with the sports authority district.

Sec. 3. Conditional repeal

A. If a majority of the qualified electors voting on the issue in the first election held pursuant to section 5-1103, Arizona Revised Statutes, as added by this act, reject the levy of taxes and issuance of bonds for the purposes of establishing a sports authority district, title 5, chapter 9, Arizona Revised Statutes, as added by this act, is repealed.

B. The clerk of the board of supervisors that conducts the election shall notify in writing the director of legislative council of the results of the election and whether the condition described in subsection A of this section occurred.

Sec. 4. Election

A. Except as otherwise provided by this section, the election held under section 5-1103, Arizona Revised Statutes, as added by this act, shall:

1. Be conducted as nearly as practicable in the manner prescribed for general elections in title 16, Arizona Revised Statutes.

2. Be held on November 2, 2010, November 8, 2011, November 6, 2012, November 5, 2013 or November 4, 2014.

B. The county election officer shall account for costs specifically incurred with respect to the ballot issue under this section. The sports authority district shall reimburse the county for the costs listed in this subsection specifically incurred with respect to the ballot issue under this section from the authority general fund on submission of the bill by the county election officer. If the electors disapprove the formation of the sports authority district, the election costs may be reimbursed from private sources. Costs specifically incurred with respect to the ballot issue under this section include the following:

1. Costs of mailing, publishing, posting and printing ballots, publicity pamphlets, notices, election materials and other matters concerning the election.

2. Legal and other consulting fees and costs relating to the election.

3. Telecommunications costs.

4. Compensation of the election board, county election officers and employees and other labor costs incurred to administer, hold, canvass and announce the results of the election.

5. Any other costs attributable to the election.

C. This act does not constitute a submission of any provision of law to the people for approval under the power of the referendum.

APPROVED BY THE GOVERNOR JULY 13, 2009.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JULY 13, 2009.