

House Engrossed

county improvement districts; recreation; governance

State of Arizona  
House of Representatives  
Fifty-fifth Legislature  
Second Regular Session  
2022

# HOUSE BILL 2067

AN ACT

RELATING TO COUNTY IMPROVEMENT DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

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

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

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

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

44 E. If only one person files or no person files a nominating  
45 petition for election to fill a position on the board of directors of the

1 district, the county board of supervisors, by resolution, may cancel the  
2 election for that office and appoint the person who filed the nominating  
3 petition to fill that position. If no person files a nominating petition  
4 for an election to fill a district board office, the county board of  
5 supervisors, by resolution, may cancel the election for those offices and  
6 those offices are deemed vacant and shall be filled as otherwise provided  
7 by law. A person who is appointed pursuant to this section is fully  
8 vested with the powers and duties of the office as if elected to that  
9 office.

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

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

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

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

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

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

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

42 L. If the board of directors is elected, the board of supervisors  
43 may review and comment but does not have veto authority over financial  
44 transactions of the board of directors that is elected pursuant to this  
45 section.

1 M. The board of supervisors of the county in which a county  
2 recreation improvement district is located at any time may revoke the  
3 authority of an elected board of directors in order to protect the  
4 residents of the district. Any district in which the authority of an  
5 elected board of directors is revoked pursuant to this section shall be  
6 governed by the board of supervisors as provided by section 48-908,  
7 Arizona Revised Statutes, and the board of supervisors shall have the  
8 option of calling for new elections for the district board of directors.

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

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

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

17 Q. For the purposes of this section:

18 1. "Board" means the district board of directors.

19 2. "Clerk" means the person appointed by the board of directors to  
20 act as the clerk for the district and to perform the duties otherwise  
21 prescribed for a clerk pursuant to this chapter.

22 3. "District" or "county improvement district providing  
23 recreational improvements" means a tax-levying county improvement district  
24 that is formed pursuant to section 48-906, Arizona Revised Statutes, to  
25 make improvements associated with lake recreation, such as boat docks,  
26 beach and picnic areas, lake access, parking and paths, and to provide  
27 personnel and equipment for the safe use and enjoyment of property for  
28 members and their authorized guests.