

House Engrossed Senate Bill
sports; tourism; film authority; appropriation

State of Arizona
Senate
Fifty-fifth Legislature
Second Regular Session
2022

SENATE BILL 1710

AN ACT

AMENDING TITLE 5, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 12;
APPROPRIATING MONIES; RELATING TO AMUSEMENTS AND SPORTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 5, Arizona Revised Statutes, is amended by adding
3 chapter 12, to read:

4 CHAPTER 12

5 SOUTHERN ARIZONA SPORTS, TOURISM AND FILM AUTHORITY

6 ARTICLE 1. ORGANIZATION

7 5-1401. Definitions

8 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

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

10 2. "AUTHORITY" MEANS THE SOUTHERN ARIZONA SPORTS, TOURISM AND FILM
11 AUTHORITY.

12 3. "BOARD" MEANS THE BOARD OF DIRECTORS OF THE AUTHORITY.

13 4. "INDIAN TRIBE" MEANS ANY ORGANIZED INDIAN NATION, TRIBE, BAND OR
14 COMMUNITY THAT IS RECOGNIZED AS AN INDIAN TRIBE BY THE UNITED STATES
15 DEPARTMENT OF THE INTERIOR.

16 5-1402. Formation of authority

17 A. THE SOUTHERN ARIZONA SPORTS, TOURISM AND FILM AUTHORITY IS
18 ESTABLISHED. THE AUTHORITY CONSISTS OF THE COUNTIES OF GREENLEE, GRAHAM,
19 COCHISE, SANTA CRUZ, PIMA AND PINAL.

20 B. THE AUTHORITY IS A CORPORATE AND POLITICAL BODY, SEPARATE AND
21 INDEPENDENT OF THIS STATE OR THE COUNTIES. EXCEPT AS OTHERWISE LIMITED,
22 MODIFIED OR PROVIDED BY THIS CHAPTER, THE AUTHORITY HAS ALL OF THE RIGHTS,
23 POWERS AND IMMUNITIES OF MUNICIPAL CORPORATIONS EXCEPT TO ACQUIRE REAL
24 PROPERTY BY EMINENT DOMAIN.

25 C. THE BOARD AND THE AUTHORITY DO NOT HAVE THE AUTHORITY TO LEVY OR
26 OTHERWISE IMPOSE ANY TAX OR ASSESSMENT. THE QUALIFIED ELECTORS RESIDING
27 IN THE BOUNDARIES OF THE AUTHORITY MAY LEVY A TAX FOR THE FISCAL NEEDS OF
28 THE AUTHORITY AS PROVIDED BY THIS CHAPTER, BUT THE BOARD HAS NO
29 INDEPENDENT AUTHORITY TO IMPOSE A TAX. SUBJECT TO THAT LIMITATION, THE
30 AUTHORITY IS CONSIDERED TO BE A TAX LEVYING PUBLIC IMPROVEMENT AUTHORITY
31 FOR THE PURPOSES OF ARTICLE XIII, SECTION 7, CONSTITUTION OF ARIZONA.

32 D. THE AUTHORITY IS REGARDED AS PERFORMING A GOVERNMENTAL FUNCTION
33 IN CARRYING OUT THE PURPOSES OF THIS CHAPTER. THE PROPERTY ACQUIRED OR
34 CONSTRUCTED BY THE AUTHORITY, THE ACTIVITIES OF THE AUTHORITY IN
35 MAINTAINING AND CARING FOR THE PROPERTY AND THE MONIES DERIVED BY THE
36 AUTHORITY FROM OPERATING THE PROPERTY ARE EXEMPT FROM STATE AND LOCAL
37 INCOME AND PROPERTY TAXATION.

38 5-1403. Board of directors

39 A. THE AUTHORITY IS GOVERNED BY A BOARD CONSISTING OF THE FOLLOWING
40 MEMBERS WHO MUST RESIDE WITHIN THE BOUNDARIES OF THE AUTHORITY:

41 1. SIX MEMBERS REPRESENTING THE COUNTY GOVERNMENT OF EACH COUNTY IN
42 THE AUTHORITY. THE GOVERNOR SHALL APPOINT TWO MEMBERS, THE PRESIDENT OF
43 THE SENATE SHALL APPOINT TWO MEMBERS AND THE SPEAKER OF THE HOUSE OF
44 REPRESENTATIVES SHALL APPOINT TWO MEMBERS.

1 2. FOUR MEMBERS WHO RESIDE WITHIN THE AUTHORITY. THE GOVERNOR
2 SHALL APPOINT TWO MEMBERS, THE PRESIDENT OF THE SENATE SHALL APPOINT ONE
3 MEMBER AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL APPOINT ONE
4 MEMBER. OF THESE MEMBERS:

5 (a) ONE MEMBER SHALL HAVE EXPERIENCE IN YOUTH AND PROFESSIONAL
6 SPORTS.

7 (b) ONE MEMBER SHALL HAVE EXPERIENCE IN THE TOURISM AND HOSPITALITY
8 INDUSTRY.

9 (c) ONE MEMBER SHALL HAVE EXPERIENCE IN THE FILM AND DIGITAL MEDIA
10 INDUSTRY.

11 (d) ONE MEMBER SHALL HAVE EXPERIENCE IN WORKFORCE DEVELOPMENT.

12 3. THREE MEMBERS REPRESENTING INDIAN TRIBES WHO RESIDE WITHIN THE
13 BOUNDARIES OF THE AUTHORITY. THE GOVERNOR SHALL APPOINT ONE MEMBER, THE
14 PRESIDENT OF THE SENATE SHALL APPOINT ONE MEMBER AND THE SPEAKER OF THE
15 HOUSE OF REPRESENTATIVES SHALL APPOINT ONE MEMBER.

16 B. A MEMBER OF THE BOARD MAY NOT SIMULTANEOUSLY HOLD ANY STATE OR
17 LOCAL ELECTIVE PUBLIC OFFICE. THE GOVERNOR, THE PRESIDENT OF THE SENATE
18 AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL MAKE APPOINTMENTS TO
19 PRODUCE A GENERAL GEOGRAPHICALLY DIVERSE REPRESENTATION OF AREAS IN THE
20 AUTHORITY. MEMBERS OF THE BOARD SHALL BE APPOINTED FOR TERMS OF FIVE
21 YEARS. A MEMBER MAY BE REAPPOINTED FOR ONE FULL SUBSEQUENT TERM.

22 C. MEMBERS OF THE BOARD ARE ELIGIBLE FOR COMPENSATION AS PROVIDED
23 BY SECTION 38-611.

24 D. IN APPOINTING MEMBERS, THE PRESIDENT OF THE SENATE SHALL APPOINT
25 FIRST, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL APPOINT SECOND
26 AND THE GOVERNOR SHALL APPOINT THIRD. WHEN A VACANCY OCCURS, THE ORDER
27 SHALL COMMENCE WITH THE OFFICER FOLLOWING THE OFFICER WHO MADE THE LAST
28 APPOINTMENT.

29 E. IF THE GOVERNOR FAILS TO MAKE AN APPOINTMENT WITHIN NINETY DAYS
30 AFTER A VACANCY, THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE
31 OF REPRESENTATIVES SHALL MAKE A JOINT APPOINTMENT TO FILL THAT VACANCY.
32 IF THE SPEAKER OF THE HOUSE OF REPRESENTATIVES FAILS TO MAKE AN
33 APPOINTMENT WITHIN NINETY DAYS AFTER A VACANCY, THE PRESIDENT OF THE
34 SENATE SHALL MAKE THE APPOINTMENT. IF THE PRESIDENT OF THE SENATE FAILS
35 TO MAKE AN APPOINTMENT WITHIN NINETY DAYS AFTER A VACANCY, THE SPEAKER OF
36 THE HOUSE OF REPRESENTATIVES SHALL MAKE THE APPOINTMENT.

37 5-1404. Administrative powers and duties

38 A. THE BOARD OF DIRECTORS, ON BEHALF OF THE AUTHORITY, MAY:

39 1. ADOPT AND USE A CORPORATE SEAL.

40 2. SUE AND BE SUED.

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

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

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

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

6 7. ACQUIRE LAND OR CONSTRUCT, FINANCE, FURNISH, MAINTAIN, IMPROVE,
7 OPERATE, MARKET OR PROMOTE THE USE OF AMATEUR OR PROFESSIONAL SPORTS
8 FACILITIES, RECREATIONAL FACILITIES AND OTHER COMMUNITY FACILITIES OR
9 PROGRAMS THAT ARE LOCATED IN THE AUTHORITY AND DO ALL THINGS NECESSARY OR
10 CONVENIENT TO ACCOMPLISH THOSE PURPOSES.

11 8. CONSTRUCT, FINANCE, FURNISH, MAINTAIN, IMPROVE, OPERATE, MARKET
12 AND PROMOTE THE USE OF A MULTIPURPOSE FACILITY THAT IS LOCATED IN THE
13 AUTHORITY AND DO ALL THINGS NECESSARY OR CONVENIENT TO ACCOMPLISH THOSE
14 PURPOSES. THE AUTHORITY MAY OWN OR LEASE THE LAND ON WHICH THE
15 MULTIPURPOSE FACILITY IS LOCATED.

16 9. ISSUE REVENUE BONDS PURSUANT TO ARTICLE 3 OF THIS CHAPTER.

17 B. THE BOARD OF DIRECTORS SHALL:

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

20 2. EMPLOY AN EXECUTIVE DIRECTOR AND PRESCRIBE THE TERMS AND
21 CONDITIONS OF EMPLOYMENT.

22 3. KEEP AND MAINTAIN A COMPLETE AND ACCURATE RECORD OF ALL OF ITS
23 PROCEEDINGS. THE BOARD IS A PUBLIC BODY FOR PURPOSES OF TITLE 38, CHAPTER
24 3, ARTICLE 3.1 AND TITLE 39, CHAPTER 1.

25 4. PROVIDE FOR THE USE, MAINTENANCE AND OPERATION OF THE PROPERTIES
26 AND INTERESTS OWNED OR CONTROLLED BY THE AUTHORITY.

27 5. PROMOTE TOURISM, THE DEVELOPMENT OF YOUTH AND PROFESSIONAL
28 SPORTS, INCLUDING THE ATTRACTION OF AMATEUR AND PROFESSIONAL EVENTS, AND
29 PROMOTE FILMING OPPORTUNITIES.

30 C. THE BOARD SHALL APPOINT FOUR ADVISORY BOARDS CONSISTING OF
31 MEMBERS REPRESENTING YOUTH AND PROFESSIONAL SPORTS, TOURISM AND
32 HOSPITALITY, FILM AND DIGITAL MEDIA AND WORKFORCE DEVELOPMENT. THE BOARD
33 MEMBERS APPOINTED PURSUANT TO SECTION 5-1403, SUBSECTION A, PARAGRAPH 2
34 SHALL SERVE AS CHAIRPERSONS OF THE ADVISORY COMMITTEES THAT CORRESPONDS TO
35 THEIR AREAS OF APPOINTMENT.

36 5-1405. Executive director: duties

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

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

- 1 C. THE EXECUTIVE DIRECTOR SHALL:
- 2 1. EMPLOY A TREASURER TO SERVE AS FISCAL AGENT TO DEPOSIT, HOLD,
- 3 INVEST AND DISBURSE THE AUTHORITY'S MONIES.
- 4 2. EMPLOY ADMINISTRATIVE AND CLERICAL EMPLOYEES AND PRESCRIBE THE
- 5 TERMS AND CONDITIONS OF THEIR EMPLOYMENT AS NECESSARY TO CARRY OUT THE
- 6 PURPOSES OF THE AUTHORITY. EMPLOYEES OF THE AUTHORITY ARE CONSIDERED TO
- 7 BE PUBLIC EMPLOYEES FOR PURPOSES OF TITLE 38.
- 8 3. RECOMMEND THE EMPLOYMENT OF CONSULTANTS BY THE BOARD, INCLUDING
- 9 OUTSIDE COUNSEL AND A PROFESSIONAL FACILITY MANAGEMENT COMPANY.
- 10 4. DIRECT THE ACTIVITIES OF OUTSIDE CONSULTANTS.
- 11 5-1406. Conflicts of interest
- 12 A. THE MEMBERS OF THE BOARD ARE SUBJECT TO TITLE 38, CHAPTER 3,
- 13 ARTICLE 8, RELATING TO CONFLICTS OF INTEREST, INCLUDING THE PENALTIES
- 14 PRESCRIBED IN SECTION 38-510.
- 15 B. A MEMBER OF THE BOARD OF DIRECTORS MAY NOT HAVE ANY DIRECT OR
- 16 INDIRECT FINANCIAL INTEREST IN ANY OF THE FOLLOWING:
- 17 1. PROPERTY OWNED, PURCHASED OR CONSTRUCTED BY THE AUTHORITY.
- 18 2. A CONTRACT ENTERED INTO BY THE AUTHORITY.
- 19 3. A PRIVATE CORPORATION OR OTHER ENTITY WITH WHICH THE AUTHORITY
- 20 CONTRACTS.
- 21 5-1407. Gift ban; exemption
- 22 A. A PRINCIPAL OR LOBBYIST OR ANY OTHER PERSON ACTING ON BEHALF OF
- 23 A PRINCIPAL OR LOBBYIST MAY NOT GIVE A GIFT TO ANY MEMBER OR EMPLOYEE OF
- 24 THE BOARD, AND A BOARD MEMBER OR EMPLOYEE MAY NOT ACCEPT A GIFT FROM A
- 25 PRINCIPAL OR LOBBYIST.
- 26 B. FOR THE PURPOSES OF THIS SECTION, A GIFT DOES NOT INCLUDE ANY OF
- 27 THE FOLLOWING:
- 28 1. SALARY, COMPENSATION OR EMPLOYER-REIMBURSED EXPENSES LAWFULLY
- 29 PAID TO A BOARD MEMBER OR EMPLOYEE.
- 30 2. A FAMILY GIFT.
- 31 3. AN AWARD OR PRIZE THAT IS GIVEN TO COMPETITORS IN A CONTEST OR
- 32 EVENT THAT IS OPEN TO THE PUBLIC, INCLUDING A RANDOM DRAWING.
- 33 4. ANY DISCOUNT OR OTHER BENEFIT THAT IS OFFERED TO A BOARD MEMBER
- 34 OR EMPLOYEE ON THE SAME CONDITIONS AS TO THE PUBLIC, TO A CLASS CONSISTING
- 35 OF ALL BOARD MEMBERS AND EMPLOYEES OR TO A GROUP OR CLASS IN WHICH
- 36 MEMBERSHIP IS UNRELATED TO BEING A BOARD MEMBER OR EMPLOYEE.
- 37 5. AN EDUCATIONAL EVENT OR SPEAKING ENGAGEMENT.
- 38 6. EXPENSES RELATING TO A SPECIAL EVENT OR FUNCTION TO WHICH ALL
- 39 MEMBERS OF THE BOARD ARE INVITED AND THAT ARE PROPERLY REPORTED.
- 40 7. FLOWERS.
- 41 8. FOOD AND BEVERAGE.
- 42 9. INFORMATIONAL MATERIAL, INCLUDING A BOOK, CALENDAR, PAMPHLET,
- 43 PERIODICAL, REPORT OR VIDEO.
- 44 10. AN ITEM THAT IS NOT USED AND THAT IS RETURNED TO THE DONOR
- 45 WITHIN FIFTEEN DAYS AFTER RECEIPT OR THAT IS DELIVERED TO A CHARITABLE

1 ORGANIZATION WITHIN FIFTEEN DAYS AFTER RECEIPT AND THAT IS NOT CLAIMED AS
2 A CHARITABLE CONTRIBUTION FOR STATE OR FEDERAL INCOME TAX PURPOSES.

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

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

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

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

13 15. NONRECREATIONAL TRAVEL OR LODGING, OR BOTH.

14 16. PERSONAL HOSPITALITY.

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

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

24 5-1408. Regulating sale, use and consumption of alcoholic
25 beverages

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

29 5-1409. Annual report; appearance before joint legislative
30 budget committee

31 A. WITHIN THREE MONTHS AFTER THE END OF EACH FISCAL YEAR, THE
32 AUTHORITY SHALL PREPARE A REPORT SIGNED BY THE EXECUTIVE DIRECTOR AND
33 TRANSMIT THE REPORT TO THE JOINT LEGISLATIVE BUDGET COMMITTEE. THE REPORT
34 SHALL INCLUDE A PROGRESS REPORT OF THE ACTIVITIES OF THE AUTHORITY DURING
35 THE PREVIOUS YEAR.

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

40 ARTICLE 2. FINANCIAL PROVISIONS

41 5-1431. Annual budget

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

- 44 1. RECEIPTS DURING THE PRECEDING FISCAL YEAR.
45 2. EXPENDITURES DURING THE PRECEDING FISCAL YEAR.

1 3. ESTIMATES OF AMOUNTS NECESSARY FOR EXPENSES DURING THE FOLLOWING
2 FISCAL YEAR, INCLUDING AMOUNTS PROPOSED FOR ADMINISTRATIVE COSTS OF THE
3 AUTHORITY.

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

6 5. A COMPLETE ASSET AND LIABILITY STATEMENT.

7 6. A STATEMENT OF PROFIT OR LOSS.

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

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

12 B. THE BOARD MAY AMEND THE BUDGET ON A FINDING OF GOOD CAUSE.

13 5-1432. General fund; investments

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

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

22 C. THE AUTHORITY'S INVESTMENTS MUST MATURE WHEN THE FUND ASSETS
23 WILL BE REQUIRED FOR THE PURPOSES OF THIS CHAPTER. IF THE LIQUID ASSETS
24 IN THE FUND OR ANY ACCOUNT OR SUBACCOUNT BECOME INSUFFICIENT TO MEET THE
25 STATUTORY OBLIGATIONS, THE BOARD SHALL DIRECT THE AUTHORITY'S FISCAL AGENT
26 TO LIQUIDATE SUFFICIENT SECURITIES TO MEET ALL OF THE CURRENT OBLIGATIONS
27 AND IMMEDIATELY NOTIFY THE BOARD AND THE AUDITOR GENERAL OF THE
28 INSUFFICIENCY. THE AUDITOR GENERAL SHALL REVIEW THE CIRCUMSTANCES
29 SURROUNDING THE DEPLETION OF THE FUND, ACCOUNT OR SUBACCOUNT AND REPORT
30 THE RESULTS OF THE REVIEW TO THE JOINT LEGISLATIVE AUDIT COMMITTEE.

31 5-1433. Performance audit

32 A. BEGINNING NOT LATER THAN 2027 AND AT LEAST EVERY FIFTH YEAR
33 THEREAFTER, THE AUDITOR GENERAL SHALL CONDUCT A PERFORMANCE AUDIT OF THE
34 AUTHORITY, AS DEFINED IN SECTION 41-1278.

35 B. ON OR BEFORE NOVEMBER 30 OF THE RESPECTIVE YEAR, THE AUDITOR
36 GENERAL SHALL ISSUE A PUBLIC REPORT OF THE PERFORMANCE AUDIT, INCLUDING
37 FINDINGS AND SPECIFIC RECOMMENDATIONS FOR STATUTORY AND ADMINISTRATIVE
38 CHANGES TO IMPROVE THE OPERATION OF THE AUTHORITY. THE AUDITOR GENERAL
39 SHALL SUBMIT COPIES OF THE REPORT TO THE GOVERNOR, THE PRESIDENT OF THE
40 SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE SECRETARY OF
41 STATE.

42 5-1434. Annual audit

43 A. THE BOARD SHALL CAUSE AN ANNUAL AUDIT TO BE CONDUCTED OF EACH OF
44 THE AUTHORITY'S FUNDS, ACCOUNTS AND SUBACCOUNTS BY AN INDEPENDENT

1 CERTIFIED PUBLIC ACCOUNTANT WITHIN ONE HUNDRED TWENTY DAYS AFTER THE END
2 OF THE FISCAL YEAR.

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

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

13 ARTICLE 3. REVENUE BONDS

14 5-1461. Definitions

15 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

16 1. "AUTHORITY PURPOSE" INCLUDES:

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

24 (i) SANITARY SEWAGE SYSTEMS.

25 (ii) DRAINAGE AND FLOOD CONTROL SYSTEMS.

26 (iii) WATER SYSTEMS.

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

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

30 (vi) LANDSCAPING.

31 (vii) LIGHTING SYSTEMS.

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

34 (b) THE PAYMENT OF BONDS.

35 (c) BOND-RELATED EXPENSES.

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

38 (a) BONDS AND NOTES.

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

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

44 3. "BOND-RELATED EXPENSES" MEANS ANY EXPENSES INCURRED BY THE
45 AUTHORITY FOR ISSUING AND ADMINISTERING ITS BONDS, INCLUDING UNDERWRITING

1 FEES AND COSTS, TRUSTEE FEES, FINANCIAL CONSULTANT FEES, PRINTING AND
2 ADVERTISING COSTS, PAYING AGENT FEES, TRANSFER AGENT FEES, LEGAL FEES,
3 ACCOUNTING FEES, FEASIBILITY CONSULTANT AND OTHER PROFESSIONAL FEES AND
4 EXPENSES, CREDIT ENHANCEMENT FEES AND EXPENSES RELATED TO CREDIT
5 ENHANCEMENT, BOND INSURANCE OR LIQUIDITY ENHANCEMENT, REMARKETING FEES,
6 RATING AGENCY FEES AND COSTS, TRAVEL AND TELEPHONE EXPENSES AND ALL OTHER
7 FEES CONSIDERED NECESSARY BY THE BOARD IN ORDER TO MARKET AND ADMINISTER
8 THE BONDS.

9 5-1462. Obligations for the bonds

10 BONDS ISSUED UNDER THIS ARTICLE:

11 1. ARE PAYABLE ONLY ACCORDING TO THEIR TERMS.

12 2. ARE OBLIGATIONS OF THE AUTHORITY.

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

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

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

23 5-1463. Authorization of bonds

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

26 1. PROVIDE SUFFICIENT MONIES FOR ANY AUTHORITY PURPOSES.

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

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

33 B. THE BOARD SHALL AUTHORIZE THE BONDS BY RESOLUTION. THE
34 RESOLUTION SHALL PRESCRIBE:

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

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

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

42 4. THE MANNER OF EXECUTING THE BONDS.

43 5. THE MEDIUM AND PLACE OF PAYMENT.

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

1 5-1464. Issuance and sale of bonds

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

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

11 C. THE PROCEEDS FROM THE SALE OF THE BONDS SHALL BE DEPOSITED IN
12 THE BOND PROCEEDS ACCOUNT ESTABLISHED PURSUANT TO SECTION 5-1465.

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

15 5-1465. Bond proceeds account

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

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

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

23 5-1466. Debt service account

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

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

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

33 5-1467. Securing principal and interest

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

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

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

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

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

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

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

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

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

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

19 5-1468. Lien of pledge

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

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

31 5-1469. Bond purchase for cancellation

32 THE BOARD MAY PURCHASE BONDS FOR CANCELLATION, USING ANY AVAILABLE
33 MONIES, AT A PRICE OF NOT MORE THAN THE FOLLOWING:

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

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

40 5-1470. Payment of bonds

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

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

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

1 5-1471. Investment of monies in the bond proceeds account

2 A. THE BOARD MAY AUTHORIZE THE AUTHORITY'S FISCAL AGENT TO INVEST
3 MONIES IN THE BOND PROCEEDS ACCOUNT IN THE MANNER PRESCRIBED BY SECTION
4 5-1473.

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

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

12 5-1472. Investment of monies in the debt service account

13 A. THE BOARD MAY AUTHORIZE THE AUTHORITY'S FISCAL AGENT TO INVEST
14 AND REINVEST ANY MONIES IN THE DEBT SERVICE ACCOUNT AS PROVIDED BY SECTION
15 5-1473.

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

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

23 5-1473. Authorized investment of monies

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

27 1. UNITED STATES TREASURY OBLIGATIONS.

28 2. CONSOLIDATED FARM LOAN BONDS.

29 3. OBLIGATIONS ISSUED BY THE FEDERAL INTERMEDIATE CREDIT BANKS OR
30 BONDS FOR COOPERATIVES ON AUTHORITY OF THE FARM CREDIT ACT OF 1933
31 (48 STAT. 257).

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

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

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

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

41 8. INVESTMENT AGREEMENTS AND REPURCHASE AGREEMENTS COLLATERALIZED
42 BY INVESTMENTS DESCRIBED IN PARAGRAPHS 1, 2, 3, 4 AND 5 OF THIS
43 SUBSECTION.

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

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

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

8 5-1474. Deposit and disbursement of monies

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

16 B. THIS SECTION DOES NOT LIMIT THE POWER OF THE BOARD TO AGREE IN
17 CONNECTION WITH ISSUING ANY OF ITS BONDS AS TO THE CUSTODY AND DISPOSITION
18 OF THE MONIES RECEIVED FROM SELLING BONDS OR FROM THE INCOME AND REVENUES
19 PLEDGED OR ASSIGNED TO OR IN TRUST FOR THE BENEFIT OF THE HOLDER OR
20 HOLDERS OF THE BONDS.

21 5-1475. Characteristics of bonds; negotiability; legal
22 investments; exemption from taxation

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

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

30 C. BONDS ISSUED UNDER THIS ARTICLE:

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

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

42 5-1476. Effect of changing circumstances on bonds; agreement
43 of state

44 A. BONDS ISSUED UNDER THIS ARTICLE REMAIN VALID AND BINDING
45 OBLIGATIONS OF THE AUTHORITY, NOTWITHSTANDING THAT BEFORE THE DELIVERY OF

1 THE BONDS ANY PERSON WHOSE SIGNATURE APPEARS ON THE BONDS CEASES TO BE AN
2 OFFICER OF THE AUTHORITY.

3 B. AN AMENDMENT OF THIS CHAPTER DOES NOT DIMINISH OR IMPAIR THE
4 VALIDITY OF BONDS ISSUED UNDER THIS ARTICLE OR THE REMEDIES AND RIGHTS OF
5 BONDHOLDERS.

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

17 5-1477. Validity of bonds; legal opinion

18 A. THIS ARTICLE CONSTITUTES FULL AUTHORITY FOR AUTHORIZING AND
19 ISSUING BONDS WITHOUT REFERENCE TO ANY OTHER LAW OF THIS STATE. NO OTHER
20 LAW WITH REGARD TO AUTHORIZING OR ISSUING OBLIGATIONS OR THAT IN ANY WAY
21 IMPEDES OR RESTRICTS PERFORMING THE ACTS AUTHORIZED BY THIS ARTICLE
22 APPLIES TO ANY PROCEEDINGS TAKEN OR ACTS DONE PURSUANT TO THIS ARTICLE.

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

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

37 D. THE BONDS SHALL RECITE THAT THEY ARE REGULARLY ISSUED PURSUANT
38 TO THIS ARTICLE. THAT RECITAL, TOGETHER WITH THE LEGAL OPINION UNDER
39 SUBSECTION C OF THIS SECTION, CONSTITUTES PRIMA FACIE EVIDENCE OF THE
40 LEGALITY AND VALIDITY OF THE BONDS. FROM AND AFTER THE SALE AND DELIVERY
41 OF THE BONDS, THEY ARE INCONTESTABLE BY THIS STATE OR THE AUTHORITY.

