

Senate Engrossed House Bill

~~firefighters; peace officers; PTSD; coverage~~  
(now: theme park districts; formation)

State of Arizona  
House of Representatives  
Fifty-sixth Legislature  
Second Regular Session  
2024

# HOUSE BILL 2274

AN ACT

AMENDING SECTIONS 48-6202, 48-6203, 48-6204 AND 48-6231, ARIZONA REVISED  
STATUTES; RELATING TO THEME PARK DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

4 48-6202. Formation of district

5 A. The governing bodies of a city with a population of more than  
6 ~~one million~~ FIVE HUNDRED THOUSAND persons and a county with a population  
7 of more than one hundred twenty-five thousand persons and in which the  
8 city is ENTIRELY located ~~entirely in that county~~ OR THE GOVERNING BODY OF  
9 A CITY WITH A POPULATION OF MORE THAN FIVE HUNDRED THOUSAND PERSONS ACTING  
10 ON ITS OWN OR OF A COUNTY WITH A POPULATION OF MORE THAN ONE HUNDRED  
11 TWENTY-FIVE THOUSAND PERSONS ACTING ON ITS OWN may establish a theme park  
12 district as provided by this chapter. For the purposes of this  
13 subsection, the population shall be determined according to the most  
14 recent population estimate data produced by the office of economic  
15 opportunity at the time the district is established. IF FORMED BY A  
16 COUNTY IN CONJUNCTION WITH A CITY OR BY A CITY ACTING ON ITS OWN, the  
17 district may include theme park sites in only the city THAT IS  
18 PARTICIPATING IN establishing the district. The city, IF ANY, and the  
19 county, IF ANY, shall establish the geographical boundaries of the  
20 district, which shall include only the sites of the theme parks and which  
21 shall consist of only contiguous property. IF A DISTRICT IS FORMED BY A  
22 COUNTY ACTING ON ITS OWN, THE GEOGRAPHIC BOUNDARIES OF THE DISTRICT, WHICH  
23 SHALL INCLUDE ONLY THE SITES OF THE THEME PARKS, SHALL CONSIST ONLY OF  
24 CONTIGUOUS PROPERTY AND SHALL BE LOCATED ENTIRELY AND ONLY IN THE  
25 UNINCORPORATED AREA OF THE COUNTY.

26 B. The district may be established with a single theme park site.  
27 Any additional sites may be added after the district is initially  
28 established and the geographical boundaries of the district may be revised  
29 after it is initially established, except that IF FORMED BY A COUNTY IN  
30 CONJUNCTION WITH A CITY OR BY A CITY ACTING ON ITS OWN, the district shall  
31 continue to consist of only contiguous property in that city. MORE THAN  
32 ONE DISTRICT MAY BE LOCATED IN A COUNTY OR A CITY.

33 C. A THEME PARK DISTRICT ORGANIZED PURSUANT TO THIS ARTICLE IS  
34 LIMITED TO PROPERTIES WHOSE OWNERS HAVE CONSENTED TO BEING INCLUDED IN THE  
35 DISTRICT, INCLUDING ANY SITES THAT ARE ADDED AFTER THE DISTRICT IS  
36 INITIALLY ESTABLISHED.

37 ~~B.~~ D. The district is a corporate and political body and, except  
38 as otherwise limited, modified or provided by this chapter, has all of the  
39 rights, powers and immunities of municipal corporations.

40 ~~C.~~ E. The district is considered to be a tax levying public  
41 improvement district for the purposes of article XIII, section 7,  
42 Constitution of Arizona.

43 ~~D.~~ F. The district is regarded as performing a governmental  
44 function in carrying out the purposes of this chapter. The property  
45 acquired, leased or constructed by the district, the activities of the

1 district in maintaining and caring for the property and the monies derived  
2 by the district from operating the property are exempt from state and  
3 local income and property taxation. A hotel building that is located in a  
4 district that is less than twenty acres and contains less than one million  
5 square feet of building or other improvements is not exempt from state and  
6 local property taxation. At the conclusion of the lease, that hotel  
7 building shall be returned to the lessee under the lease with the district  
8 and if subject to a ground lease with a tax exempt entity, the hotel  
9 building and other improvements are subject to state and local property  
10 taxation as possessory improvements on government property as defined in  
11 section 42-15301.

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

14 48-6203. Board of directors

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

17 1. FOR A DISTRICT THAT IS FORMED BY A CITY AND A COUNTY, one member  
18 of the governing body of the city PARTICIPATING IN establishing the  
19 district, elected by the governing body. IF A COUNTY DOES NOT PARTICIPATE  
20 IN ESTABLISHING THE DISTRICT, THE CITY SHALL ELECT TWO MEMBERS OF ITS  
21 GOVERNING BODY TO BE MEMBERS OF THE BOARD OF DIRECTORS OF THE DISTRICT.

22 2. FOR A DISTRICT THAT IS FORMED BY A CITY AND A COUNTY, one member  
23 of the governing body of the county PARTICIPATING IN establishing the  
24 district, elected by the governing body. IF A CITY DOES NOT PARTICIPATE  
25 IN ESTABLISHING THE DISTRICT, THE COUNTY SHALL ELECT TWO MEMBERS OF ITS  
26 GOVERNING BODY TO BE MEMBERS OF THE BOARD OF DIRECTORS OF THE DISTRICT.

27 3. One member of the general public who resides in ~~Apache,~~  
28 ~~Coconino, Mohave, Navajo or Yavapai county~~ THE CITY OR COUNTY IN WHICH THE  
29 DISTRICT IS LOCATED, appointed by the speaker of the house of  
30 representatives.

31 4. One member of the general public who resides in ~~Maricopa county~~  
32 THE CITY OR COUNTY IN WHICH THE DISTRICT IS LOCATED, appointed by the  
33 president of the senate.

34 B. Members of the board of directors who also serve on the  
35 governing body of a city or county establishing the district serve during  
36 their terms of office on the governing body of the city or county, unless  
37 a successor is earlier elected by the respective governing body to replace  
38 the member for any reason. Other members of the board of directors shall  
39 serve four-year terms.

40 C. Members are not eligible for compensation for service on the  
41 board of directors.

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

44 48-6204. Administrative powers and duties

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

- 1           1. Adopt and use a corporate seal.
- 2           2. Sue and be sued.
- 3           3. Enter into contracts, including intergovernmental agreements
- 4 under title 11, chapter 7, article 3, as necessary to carry out the
- 5 purposes and requirements of this chapter.
- 6           4. Adopt administrative rules as necessary to administer and
- 7 operate the district and any property under its jurisdiction.
- 8           5. Acquire by any lawful means, except the power of eminent domain,
- 9 and operate, maintain, encumber, lease and dispose of real and personal
- 10 property and interests in property.
- 11           6. Retain legal counsel and other consultants as necessary to carry
- 12 out the purposes of the district.
- 13           B. The board of directors shall:
- 14           1. Appoint from among its members a chairperson, a secretary and
- 15 such other officers as may be necessary to conduct its business.
- 16           2. Designate a fiscal agent to deposit, hold, invest and disburse
- 17 the district's monies.
- 18           3. Provide for the acquisition, construction, renovation,
- 19 redevelopment, lease, use and maintenance of the properties and interests
- 20 owned or controlled by the district.
- 21           4. Keep and maintain a complete and accurate record of all of its
- 22 proceedings. The board is a public body for purposes of title 38, chapter
- 23 3, article 3.1 and title 39, chapter 1.
- 24           5. IF A COUNTY PARTICIPATES IN ESTABLISHING THE DISTRICT, enter
- 25 into intergovernmental agreements with the county and, IF A CITY
- 26 PARTICIPATES IN ESTABLISHING THE DISTRICT, WITH THE city, pursuant to
- 27 title 11, chapter 7, article 3, for administrative and staff support and
- 28 meeting accommodations for accomplishing the purposes of the district.
- 29           6. Enter into contracts, leases and other agreements in the
- 30 interest of the district or to carry out and accomplish the purposes of
- 31 this chapter, including construction contracts and agreements with users
- 32 of the theme parks. If the district issues bonds, the following apply
- 33 until the bonds are fully repaid:
- 34           (a) The district shall provide in its lease or use agreement with
- 35 the lessee or user that the lessee or user may not relocate, significantly
- 36 reduce its operation or terminate its agreement with the district.
- 37           (b) The lessee or user may not move to a location in another state.
- 38           (c) The lessee or user may not be a lessee or user or otherwise be
- 39 a participant in a different district or use or participate in an
- 40 agreement to use or construct a professional sports stadium or field in a
- 41 location outside the district other than for a training stadium or field.
- 42           7. Contract for consulting, legal, accounting and other outside
- 43 professional services, including a professional facility management
- 44 company.

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

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

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

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

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

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

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

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

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

33           E. Notwithstanding title 34 or title 41, chapter 23, the district  
34 may use alternative systems and procedures, including design-build  
35 construction and qualifications-based selection of contractors or any  
36 other system or procedure that the district deems appropriate, either by  
37 direct selection or by public competition, to expedite the design and  
38 construction of any of its facilities or structures or any facilities or  
39 structures leased to it or used by it pursuant to an intergovernmental  
40 agreement. Notwithstanding any other provision of this section or any  
41 other statute, the district shall approve all architects, designers,  
42 engineers and contractors that are selected by the developer. For the  
43 purposes of this subsection:

- 1           1. "Design-build" means a process of entering into and managing a  
2 contract between the district and another party in which the other party  
3 agrees to both design and build any structure, facility or other items  
4 specified in the contract.
- 5           2. "Qualifications-based selection" means a process of entering  
6 into and managing a contract between the district and another party in  
7 which the other party is selected by the district on the basis of the  
8 party's qualifications and experience in designing or constructing  
9 facilities, structures or other items similar to those the district is  
10 authorized to construct or lease.