



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
Second Regular Session

Senate: APPROP DP 10-0-0-0 | 3rd Read 23-6-1-0
House: APPROP DPA 8-4-1-0 | 3rd Read 33-25-1-0

SB 1710: sports; tourism; film authority; appropriation

Sponsor: Senator Gowan, LD 14

Committee on Appropriations

Overview

Establishes the Southern Arizona Sports, Tourism and Film Authority (Authority). Appropriates \$500,000 from the state General Fund (GF) to the Office of Tourism to fund the Authority.

History

[Article XIII, Section 7](#) of the Arizona Constitution states that tax levying public improvement districts are political subdivisions of the state and are exempt from the gift clause and local debt limits.

The Tourism and Sports Authority is a tax levying public improvement district and consists of the boundaries of any county with a population over 2,000,000. The Tourism and Sports Authority is a corporate and political body with all the powers of municipal corporations. Subject to voter approval, it may impose a car rental surcharge and a tax on hotels (A.R.S. §§ [5-802](#); [5-839](#); [5-840](#)).

Provisions

Organization of the Authority (Sec. 1)

1. Establishes the Authority, consisting of Greenlee, Graham, Cochise, Santa Cruz, Pima and Pinal counties.
2. Declares that the Authority is an independent corporate and political body with all of the powers of municipal corporations except to acquire real property by eminent domain.
3. Prohibits the Authority and its Board from levying or imposing any tax or assessment, except that the qualified electors living in the Authority's boundaries may levy a tax.
4. States that the Authority is a tax-levying public improvement authority under the Constitution.
5. Deems the Authority as performing a governmental function and exempts the activities of the Authority from state and local income and property taxation.
6. Establishes a governing Board of Directors for the Authority with appointments made by the Governor, President of the Senate and Speaker of the House of Representatives, consisting of:
 - a) Six members representing the county governments of each county in the Authority;
 - b) Four members who reside within the Authority with specified experience; and
 - c) Three members representing Indian tribes who reside within the Authority.
7. Outlines the criteria and process for appointing members of the Authority's Board.
8. Entitles members of the Board to compensation of no more than \$30 per day engaged in the service of the Authority.

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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9. Provides the powers of the Authority's Board, including the ability to enter into intergovernmental agreements, acquire property, construct amateur or professional sports facilities and maintain a multipurpose facility.
10. Requires the Board to appoint officers, employ an executive director and maintain public records of all proceedings.
11. Designates four advisory boards, appointed by the Board of Directors and chaired by members of the Board of directors.
12. Outlines the role and duties of the executive director.
13. Subjects members of the Board to conflict of interest provisions and prohibits a member of the Board from having any direct or indirect financial interest in Authority contracts.
14. Bans a principal or lobbyist from giving a gift to any member of employee of the Authority's Board, and any Board member of employee from accepting a gift from a principal or lobbyist.
15. Exempts specified items from inclusion as a gift under the gift ban.
16. Permits the Board to allow and regulate the sale of alcoholic beverages at events held on the Authority's property, subject to existing law.
17. Requires an annual report to the Joint Legislative Budget Committee (JLBC) and directs the executive director to appear before JLBC, at the request of the chair.

Authority Finances (Sec. 1)

18. Mandates the Authority's Board hold a public hearing by May 31 of each year to adopt a budget for the following fiscal year.
19. Allows the Board to amend its budget on a finding of good cause.
20. Creates an Authority general fund and account and subaccounts within the general fund.
21. Sets investment maturity and liquidity requirements.
22. Directs the Auditor General (OAG) to conduct a performance audit of the Authority by 2027 and at least every subsequent five years.
23. Requires the OAG to issue a public report of the performance audit and submit copies to designated legislative and executive officials.
24. Mandates an annual financial audit by an independent certified public accountant and requires the audit be filed with the OAG.
25. Allows the OAG to make further examinations as necessary within 30 days after the annual audit is filed.

Revenue Bonds (Sec. 1)

26. Specifies that Authority bonds are obligation of the Authority, payable only according to their terms and are not a debt of the state or of any county, city or town located within the Authority. (Sec. 1)
27. Authorizes the Authority's Board to issue bonds in a necessary amount to:
 - a) Provide sufficient monies for Authority purposes;
 - b) Establish and fund required reserves; and
 - c) Issue refunding bonds.
28. Specifies the contents of a resolution of the Board that must be included when authorizing a bond.
29. Sets criteria for the Board to issue bonds, including public notice requirements.

30. Provides for a bond proceeds account and a debt service account, both administered by the Authority's fiscal agent, if the Authority issues bonds.
31. Allows the Board, by resolution, to take action that may enhance the security and protection of the bonds, including among others:
 - a) Pledging Authority revenues for the payment of the bonds;
 - b) Establishing priorities among bondholders based on criteria adopted by the Board; and
 - c) Providing for the services of trustees, agents and consultants.
32. States that any pledge made by the Authority is valid and binding from the time the pledge is made.
33. Specifies that monies pledged to holders of the bonds are immediately subject to the lien of pledge without any further act and that the official resolution creating the pledge does not need to be recorded elsewhere to perfect the pledge.
34. Allows the Board to purchase bonds for cancellation using available monies at no more than a maximum price.
35. Outlines the practice for the payment of bonds from the debt service account.
36. Allows the Board to authorize the Authority's fiscal agent to invest monies in the bond proceeds account and debt service account.
37. Permits the Authority's Board to invest and reinvest in specified assets, at the discretion of the Board, provided securities purchases are made by the fiscal agent.
38. Requires the Authority's fiscal agent to deposit monies derived from selling bonds to financial institutions designated by the Board that are insured by the United States.
39. States, for the purposes of the Uniform Commercial Code, that the Authority's bonds are fully negotiable.
40. Exempts, from taxation within Arizona, the bonds, their transfer and their income at all times.
41. Provides that the bonds are securities in which all persons who are authorized to invest in government obligations may legally invest.
42. Retains the validity of the Authority's bonds even if the person whose signature appears on the bond is no longer an officer of the Authority or if there is an amendment to the relevant law.
43. States that the bonds authorized by the Authority are established exclusively by this act, and that no other law restricts the Authority from performing actions.
44. Declares that the validity of the bonds does not depend on the legality of the construction of a stadium or multipurpose facility for which the bonds are issued.
45. Allows the Board to submit bonds to a nationally recognized bond counsel for certification of the legality of the bond, which will be found on the back of each bond.
46. Requires the Authority's bonds to state that they are issued under this act, which will, along with the certification by a nationally recognized bond counsel, constitute *prima facie* evidence of the legality and validity of the bonds.

Miscellaneous

47. Defines relevant terms. (Sec. 1)
48. Appropriates a non-lapsing \$500,000 from the GF to the Office of Tourism to fund the Authority. (Sec. 2)