

**Stadium Construction Funding and Oversight**  
Legislative Recommendation | Preliminary Draft

**EXPLANATION:** Matter in *bolded italics* is new; matter between brackets ~~[omitted material]~~ is material to be removed.

**OVERVIEW**

**SECTIONS 1 to 21** of this bill establish a method to finance the acquisition, construction, lease, improvement, equipping, operation and maintenance of a large events center or a college football stadium in a county whose population is 700,000 or more (currently Clark County). **SECTION 10** of this bill creates a district to finance a large events center in such a county and provides that the district consists of all property that is located within the county and each city within the county and that is within 25 miles of the center of the site of the large events center. **SECTIONS 10 and 19** of this bill provide for the imposition, collection and administration of a tax upon on all persons in the business of providing lodging in the district at a specified rate of the gross receipts from the rental of transient lodging in the district. **SECTION 11** of this bill requires the stadium authority for the county in which the district is located to use the proceeds of the tax to pay all or part of the costs to acquire, construct, lease, improve, equip, operate or maintain: (1) if the National Football League commits to allow a professional football team to locate or relocate to the district, a large events center in the district; or (2) if a commitment from the National Football League to allow a professional football team to locate or relocate to the district is not obtained but a university within the district obtains a commitment of at least \$200,000,000 in private funding for a football stadium, a college football stadium within the boundaries of the district. If the conditions for the use of the proceeds of the tax for a large events center or a college football stadium are not satisfied, the proceeds of the tax must be distributed to the county fair and recreation board for use to pay debts incurred for the facilities of that board. **SECTION 12** of this bill defines the allocations of revenue collected by the Stadium Authority Board. **SECTION 13** of this bill requires the equal distribution of stadium operating net revenues to the Stadium Authority Board and stadium developer once the developer has received the preferred annual rate of return. **SECTION 14** of this bill creates a Tax Increment Area to include a football stadium and related practice facilities, defines the tax sources that apply to the Tax Increment Area, and assigns all revenue collected under the Tax Increment Area to the stadium developers. **SECTION 15** of this bill requires the county in which the district is located to issue special obligations of the county to defray the cost to acquire, construct, lease, improve, equip, operate or maintain a large events center if the National Football League commits to allow a professional football team to locate or relocate to the district. If such a commitment is not obtained and a university in the district secures a commitment of \$200,000,000 in private funding for a football stadium within the boundaries of the district. **SECTION 15** also provides for the issuance of special obligations of the State of Nevada to defray the cost to acquire, construct, lease, improve, equip, operate or maintain a football stadium within the boundaries of the district. **SECTION 16** defines a large events center project. **SECTION 17** amends NRS 278C.140 to include a large events center project as a qualified undertaking. **SECTION 18** defines "Authority" to include a stadium authority. **SECTION 19** provides for alternative, lower transient lodging tax rates to apply in the event that a large event center project is unable to meet the requirements set forth in the act and lower rates are put in place to fund a collegiate stadium. **SECTION 20** establishes the terms of stadium authority board members. **SECTION 21** establishes effective dates for the each section of the act.

**LANGUAGE FOR CONSIDERATION**

- SECTION 1.** *As used in sections 1 to 21, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 2 and 3 of this act have the meanings ascribed to them in those sections.*
- SECTION 2.** *"District" means the district to finance a large events center that is created by subsection 1 of section 4 of this act.*
- SECTION 3.** *"Stadium authority" means the stadium authority for the county in which a district is located.*

**SECTION 4.** *1. In each county whose population is 700,000 or more, there is hereby created a stadium authority consisting of seven members to be appointed as follows:*

*(a) Three members appointed by the Governor;*  
*(b) Two members appointed by the board of county commissioners of the county in which the district created by section 10 of this act is located; and*

*(c) Two members appointed by the development partners.*

*2. The stadium authority constitutes:*

*(a) A body corporate and politic;*

*(b) A political subdivision of the county in which the district created by section 10 is located; and*

*(c) A political subdivision of this State, the boundaries of which are conterminous with the boundaries of the district created by Section 10 of this Act.*

*3. A vacancy on the stadium authority occurs when a member:*

*(a) Dies or resigns; or*

*(b) Is removed, with or without cause, by the person or entity who appointed that member.*

*4. A vacancy on the stadium authority must be filled in the same manner as the original appointment pursuant to subsection 1.*

*5. A member of the stadium authority is not entitled to receive any compensation for serving as a member or officer of the stadium authority.*

*6. The members of the stadium authority are public officers for the purposes of chapter 281A of NRS.*

**SECTION 5.** *1. The Governor shall appoint one of its members as Chair.*

*2. The stadium authority shall appoint:*

*(b) One of its members as Vice Chair; and*

*(c) A Secretary and a Treasurer, who may be members of the stadium authority and may be one person.*

*2. The Vice Chair of the stadium authority shall serve as Chair when the position of Chair is vacant or when the Chair is absent from any meeting.*

*3. The stadium authority shall meet regularly in the district at such times and places as it designates. Special meetings may be held at the call of the Chair, upon notice to each member of the stadium authority, as often as the needs of the stadium authority require.*

*4. Except as otherwise provided in subsection 5 of NRS 281A.420:*

*(a) Four of the members of the stadium authority constitute a quorum at any meeting of the stadium authority.*

*(b) The stadium authority may take action only by a motion or resolution adopted with the approval of at least four members of the stadium authority.*

*5. The stadium authority constitutes a public body for the purposes of chapter 241 of NRS.*

**SECTION 6.** *1. The stadium authority may retain such staff as it determines to be necessary to conduct the activities of the stadium authority. The stadium authority may:*

*(a) Hire the members of its staff as employees;*

*(b) Contract with any governmental entity or other person to provide the persons to serve as its staff; or*

*(c) Retain the members of its staff using any combination of the methods described in paragraphs (a) and (b).*

*2. The stadium authority shall specify:*

*(a) The powers and duties of the members of its staff; and*

*(b) The amount and basis of compensation for the members of its staff.*

**SECTION 7.** *The stadium authority:*

*1. May adopt a seal;*

*2. May adopt, and from time to time amend or repeal, as it determines to be necessary or desirable, appropriate bylaws, rules and regulations, not inconsistent with the provisions of sections 11 to 22, of this act, for carrying out its business and affairs; and*

*3. Shall create a tax increment account, a stadium capital projects fund and a stadium operating account to carry out the provisions of sections 1 to 21, of this act.*

**SECTION 8.** *1. Except as otherwise provided in section 9, the stadium authority may:*

*(a) Enter into any contracts and other agreements with any person or other entity that the Board determines to be necessary or desirable to conduct the business of the Authority.*

- (b) Sue and be sued.*
- (c) Acquire and own land and the improvements upon that land.*
- (d) Proceed with any undertaking and enter into any contracts or other agreements that the stadium authority determines to be necessary or desirable. The contracts and other agreements authorized by this subsection:
  - (1) May include, without limitation, contracts or other agreements relating to the design, planning, construction, acquisition, lease, lease-purchase, gift, equipment, maintenance, insurance, operation, management, promotion or advertising of any undertaking or any part thereof; and*
  - (2) Are not subject to the limitations of subsection 1 of NRS 354.626.**
- (e) Enter into a lease, ground lease or management agreement with any party authorizing the stadium authority to lease any portion of the land in the tax increment area owned by any party and any improvements thereon or, in the case of land that is owned or controlled by the Nevada System of Higher Education, to manage such land or improvements for the Nevada System of Higher Education on such terms as may be acceptable to the stadium authority and the Board of Regents and which do not violate any covenants concerning any securities issued by the Board of Regents.*
- (f) Receive any public and private resources necessary to fund, finance and develop the undertaking.*
- (g) Approve, in consultation with the development partners, the site selected for the undertaking.*
- (h) Approve, in consultation with the development partners, the overall design, scope and specifications of the undertaking.*
- (i) Enter into a development agreement with the development partners.*
- (j) Receive audits and other performance measurements as may be required to ensure that the stadium operations are consistent with the intent of the Legislature.*
- (k) Perform any other acts that may be necessary, convenient, desirable or appropriate to carry out the powers and duties of the stadium authority.*

*2. If the stadium authority enters into a development agreement with development partners, the stadium authority shall ensure that the development partners will provide suitable financial security for their funding obligations as a part of the project financing.*

**SECTION 9.** *1. The stadium authority and any person to whom the stadium authority delegates any of its powers or duties shall not:*

- (a) Expend or authorize the expenditure of any money in the tax increment account unless the stadium authority has entered into a lease, ground lease or management agreement pursuant to paragraph (d) of subsection 1 of section 8 of this act which authorizes a specific undertaking.*
- (b) Proceed with any undertaking or issue any securities to defray in whole or in part any cost of any undertaking unless the stadium authority has entered into a lease, ground lease or management agreement pursuant to paragraph (d) of subsection 1 of section 8 of this act which authorizes that undertaking.*

*2. The stadium authority may own land and the improvements upon that land in its name.*

**SECTION 10.** *1. In each county whose population is 700,000 or more, there is hereby created a district to finance a large events center. The district consists of all property that is within the county and within each city in the county and that is located within a radius of 25 miles from the center of the location or proposed location of a large events center constructed or to be constructed in the county.*

*2. There is hereby imposed upon all persons in the business of providing lodging in the district a tax at the rate of:*

*(a) Seven tenths of one percent of the gross receipts from the rental of transient lodging in a gaming corridor within the district.*

*(b) One half of one percent of the gross receipts from the rental of transient lodging in areas within the district but outside of a gaming corridor.*

*3. The tax imposed by subsection 2 may be shown as an addition to the charge for the rental of transient lodging. The person providing the transient lodging is liable to the county in which the district is located for the tax whether or not it is actually collected from a paying guest.*

*4. The taxes imposed by subsection 2 must:*

*(a) Be in addition to all other taxes imposed on the revenue from the rental of transient lodging in the county or city;*

*(b) Be collected and enforced in the same manner as any other tax imposed in the county or city on the gross receipts from the rental of transient lodging; and*

*(c) Be distributed to the stadium authority, which shall use the proceeds of the taxes in the manner set forth in section 11 of this act.*

*5. As used in this section:*

*(a) "Gaming corridor" (define boundaries of area in which 0.7% rate will be imposed).*

*(b) "Gross receipts from the rental of transient lodging" does not include the tax imposed or collected from paying guests pursuant to this section.*

**SECTION 11. 1.** *The stadium authority shall create an account and deposit into the account any proceeds of the taxes imposed by subsection 2 of section 10 of this act received by the stadium authority.*

*2. Except as otherwise provided in subsection 3 or 4, before the issuance of any securities pursuant to section 15 of this Act, the stadium authority shall use the proceeds of the taxes imposed by subsection 2 of section 10 of this act and any applicable penalty or interest solely to pay all or part of the cost to acquire, construct, lease, improve, equip, operate and maintain within the boundaries of the district a large events center or to establish a bond reserve fund and other reserves to secure any bonds issued pursuant to section 15 of this act, or any combination thereof, as directed by the board of directors of the stadium authority.*

*3. Except as otherwise provided in subsection 4, the stadium authority shall not expend any of the proceeds of the taxes imposed by subsection 2 of section 10 of this act to pay any costs to acquire, construct, lease, improve, equip, operate or maintain a large events center unless, within the period prescribed by section // of this act, the National Football League has committed to allow the location or relocation of a professional football team within the boundaries of the district.*

*4. If, within the period prescribed by section // of this act, the National Football League has not committed to allow the location or relocation of a professional football team within the boundaries of the district or that professional football team has not entered into a contract for the location or relocation of the team within boundaries of the district, the stadium authority shall:*

*(a) If, within 24 months after the end of the period prescribed by section // of this act, a university within the boundaries of the district has secured a commitment of at least \$200,000,000 in private funding for the acquisition, construction, lease, improvement, equipment, operation or maintenance of a football stadium within the boundaries of the district, use the proceeds of the taxes imposed by subsection 2 of section 10 of this act to acquire, construct, lease, improve, equip, operate or maintain a football stadium within the boundaries of the district.*

*(b) If, within the period prescribed by paragraph (a), a university within the boundaries of the district has not raised the private funding described in paragraph (a), distribute the proceeds of the taxes imposed by subsection 2 of section 10 of this act to the county fair and recreation board for the payment of securities issued to finance the renovation and expansion of the facilities of that board.*

*5. After the issuance of securities pursuant to:*

*(a) Subsection 1 of section 15 of this act, the proceeds of the taxes imposed by subsection 2 of section 10 of this act and any applicable penalty or interest must be used by the stadium authority to pay the bond requirements of loans, money advanced to, or indebtedness, whether funded, refunded, assumed or otherwise, incurred by the county to finance or refinance, in whole or in part, a large events center within the boundaries of the district.*

*(b) Subsection 2 of section 15 of this act, the proceeds of the taxes imposed by subsection 2 of section 10 of this act and any applicable penalty or interest must be used by the stadium authority to pay the bond requirements of loans, money advanced to, or indebtedness, whether funded, refunded, assumed or otherwise, incurred by the State of Nevada to finance or refinance, in whole or in part, a football stadium within the boundaries of the district.*

**SECTION 12. 1.** *Stadium Authority allocations of collected revenue to include:*

*(a) Bond repayment;*

*(b) Stadium Authority operations;*

*(c) Stadium capital improvement fund;*

*(d) UNLV/Sam Boyd payment;*

*(e) Las Vegas Metropolitan Police Department Resort Corridor funding; and*

*(f) Clark County event fund.*

**SECTION 13. 1. Stadium Operations Revenue Sharing.** *Any and all annual stadium operations net revenues in excess of developer preferred return amount shall be distributed equally between the Stadium Authority Board and the developer.*

**SECTION 14. 1. A Tax Increment Area shall be created to include the property of the large events center and affiliated practice facilities.**

**2. Tax Increment Area will apply to all revenue generated from the following sources:**

*(a) Sales and Use Tax*

*(b) Live Entertainment Tax*

*(c) Modified Business Tax*

**3. All revenue generated under subsection 2 will inure to the stadium developers.**

**SECTION 15. 1. If:**

*(a) The National Football League has committed to allow the location or relocation of a professional football team within the boundaries of the district;*

*(b) That football team has entered into a contract to locate or relocate the team within the boundaries of the district; and*

*(c) The board of directors of the stadium authority determines that the proceeds of the taxes imposed by subsection 2 of section 10 of this act are sufficient to establish a debt service coverage ratio of at least X.X, to defray in whole or in part the cost to acquire, construct, lease, improve, equip, operate and maintain a large events center, the county in which the district is located, acting by and through the stadium authority, shall issue special obligations of the county in an amount not to exceed \$XXXX payable solely from and secured solely by all or any portion of the proceeds of the taxes imposed by subsection 2 of section 10 of this act. The securities authorized by this subsection must be issued pursuant to the Local Government Securities Law.*

**2. If:**

*(a) Special obligations of the county are not issued pursuant to subsection 1;*

*(b) Within 24 months after the end of the period prescribed by section // of this act, a university located within the district has secured a commitment of at least \$200,000,000 in private funding for the acquisition, construction, lease, improvement, equipment, operation or maintenance of a football stadium within the boundaries of the district; and*

*(c) The stadium authority determines that the proceeds of the taxes imposed by subsection 2 of section 10 of this act are sufficient to establish a debt service coverage ratio of at least X.X, the stadium authority shall notify the State Board of Finance of those facts, and the stadium authority and the State Board of Finance shall determine the amount of financing necessary to acquire, construct, lease, improve, equip, operate or maintain a football stadium on the campus of the university. Upon a determination of the amount of such financing, to defray the cost to acquire, construct, lease, improve, equip, operate or maintain a football stadium on the campus of the university, the State Board of Finance shall issue special obligations of the State of Nevada in an amount not to exceed the amount of the determined to be necessary by the State Board of Finance and the stadium authority, payable solely from and secured solely by all or any portion of the proceeds of the taxes imposed by subsection 2 of section 10 of this act. The provisions of the State Securities Law contained in chapter 349 of NRS apply to the issuance of securities pursuant to this subsection. The proceeds of any bonds issued pursuant to this subsection must be allocated to the stadium authority in such a manner as agreed to by the stadium authority and the State Board of Finance.*

**SECTION 16. Chapter 278C of NRS is hereby amended by adding thereto a new section to read as follows:**

*“Large events center project” means a project undertaken pursuant to sections 1 to 21, inclusive, of this act.*

**SECTION 17. NRS 278C.140 is hereby amended to read as follows:**

**278C.140** “Undertaking” means any enterprise to acquire, improve or equip, or any combination thereof:

1. In the case of counties:

(a) A drainage and flood control project, as defined in NRS 244A.027;

(b) An overpass project, as defined in NRS 244A.037;

(c) A sewerage project, as defined in NRS 244A.0505;

(d) A street project, as defined in NRS 244A.053;

(e) An underpass project, as defined in NRS 244A.055; ~~or~~

(f) A water project, as defined in NRS 244A.056 ~~or~~

*(g) A large events center project, as defined in section 16 of this act.*

2. In the case of cities:

(a) A drainage project or flood control project, as defined in NRS 268.682;

(b) An overpass project, as defined in NRS 268.700;

(c) A sewerage project, as defined in NRS 268.714;

(d) A street project, as defined in NRS 268.722;

(e) An underpass project, as defined in NRS 268.726; ~~or~~

(f) A water project, as defined in NRS 268.728 ~~or~~

*(g) A large events center project, as defined in section 16 of this act.*

3. In the case of a city with respect to any tax increment area created pursuant to a cooperative agreement between the city and the Nevada System of Higher Education pursuant to NRS 278C.155, in addition to the projects described in subsection 2:

(a) A project for any other infrastructure necessary or desirable for the principal campus of the Nevada State College that is approved by the Board of Regents of the University of Nevada; or

(b) An educational facility or other capital project for the principal campus of the Nevada State College that is owned by the Nevada System of Higher Education and approved by the Board of Regents of the University of Nevada.

4. In the case of a county or city with respect to any tax increment area created by an ordinance adopted pursuant to NRS 278C.157, in addition to the projects described in subsections 1 and 2:

(a) A natural resources project; or

(b) A rail project.

**SECTION 18.** Section 1 of chapter 582, Statutes of Nevada 1977, at page 1531, is hereby amended to read as follows:

Section 1. Definitions. As used in this act, unless the context otherwise requires:

1. "Authority" means the Clark County Fair and Recreation Board, designated by resolution pursuant to NRS 244.654 as the Las Vegas Convention and Visitors Authority ~~or~~ *or the Stadium Authority, appointed pursuant to section 18 of this act.*

2. "County" means Clark County, Nevada.

3. Other words and terms defined in the Local Government Securities Law have the meanings ascribed to them in that law.

**SECTION 19.** Section 10 of this act is hereby amended to read as follows:

1. In each county whose population is 700,000 or more, there is hereby created a district for the promotion of a large events center consisting of all property that is within the county and within each city in the county and that is located within a radius of 25 miles from the *center of the* location or proposed location of a large events center built or to be built in the county.

2. There is hereby imposed a tax at the rate of:

(a) Three ~~fourths~~ *eighths* of one percent of the gross receipts from the rental of transient lodging in a gaming corridor within the district.

(b) One ~~half~~ *quarter* of one percent of the gross receipts from the rental of transient lodging in areas within the district but outside of a gaming corridor.

3. The tax imposed by subsection 2 may be shown as an addition to the charge for the rental of transient lodging. The person providing the transient lodging is liable to the county in which the district is located for the tax whether or not it is actually collected from a paying guest.

4. The taxes imposed by subsection 2 must:

(a) Be in addition to all other taxes imposed on the revenue from the rental of transient lodging in the district;

(b) Be collected and enforced in the same manner as any other tax imposed in the county on the gross receipts from the rental of transient lodging; and

(c) Be distributed to the stadium authority, which shall use the proceeds of the taxes in the manner set forth in section 11 of this act.

5. As used in this section:

- (a) "Gaming corridor" (define boundaries of area in which 0.375% rate will be imposed).
- (b) "Gross receipts from the rental of transient lodging" does not include the tax imposed or collected from paying guests pursuant to this section.

**SECTION 20.** 1. For the district created by section by section 10 of this act for Clark County:

- (a) The Governor shall, on or before September 1, 2016, appoint the three members of the Stadium Authority pursuant to paragraph (a) of subsection 1 of section 4 of this act to initial terms that, for two of the appointees, commence on September 1, 2016, and expire on September 30, 2018, and for the third appointee commences on September 1, 2016, and expires on September 30, 2017; and
  - (b) The Board of County Commissioners of Clark County shall, on or before September 1, 2016, appoint two members of the stadium authority pursuant to paragraph (b) of subsection 1 of section 4 of this act to an initial term that, for one appointee commences on September 1, 2016, and expires on September 30, 2018, and for the second appointee commences on September 1, 2016, and expires on September 30, 2017; and
  - (c) The development partners shall on or before September 1, 2016 appoint two members of the stadium authority pursuant to paragraph (c) of subsection 1 of section 4 of this act to an initial term that, for one appointee commences on September 1, 2016, and expires on September 30, 2018, and for the second appointee commences on September 1, 2016, and expires on September 30, 2017.
2. The stadium authority appointed pursuant to this section shall hold an organizational meeting during September of 2016. At that meeting, the stadium authority shall elect:
- (b) One of its members as Vice Chair; and
  - (c) A Secretary and Treasurer.

**SECTION 21.** 1. Sections 1 to 15, inclusive, of this act become effective on January 1, 2017, and expire by limitation:

- (a) If special obligations of the county or the State of Nevada are issued pursuant to section 15 of this act, on the date on which those obligations are fully paid.
- (b) If special obligations of the county or the State of Nevada are not issued pursuant to section 15 of this act, on the date which is 24 months after the end of the period prescribed by section // of this act.

2. Section 19 of this act:

- (a) Becomes effective on the date on which the board of directors of the stadium authority determines that, within the period prescribed pursuant to section // of this act, the National Football League has not committed to allow the location or relocation of a professional football team within the boundaries of the district or that football team has not entered into a contract to locate or relocate the team within the boundaries of the district; and
- (b) Expires by limitation on the date which is 24 months after the end of the period prescribed by section // of this act.