

SPORTS AND ENTERTAINMENT IMPROVEMENT DISTRICT INTERLOCAL AGREEMENT

THIS SPORTS AND ENTERTAINMENT IMPROVEMENT DISTRICT INTERLOCAL AGREEMENT (“Agreement”) is made and entered into this _____ day of _____, 20__ (the “Effective Date”), by and among Clark County, Nevada (the “County”), a political subdivision of the State of Nevada, acting by and through the Board of County Commissioners which is its governing body (the “Board”), Clark County Stadium Authority, a corporate and politic body and political subdivision of Clark County, Nevada (the “Stadium Authority”), the State of Nevada Department of Taxation (the “Department”), and the State of Nevada Division of Insurance of the Department of Business and Industry (the “Division”, and together with the County, the Stadium Authority, and the Department, the “Parties”). Unless otherwise defined in this Agreement, capitalized terms used in this Agreement shall have their meanings as ascribed to them in sections 4 thru 17 of the Southern Nevada Tourism Innovation Act, Ch. 1, Statutes of Nevada 2023, 35th Special Session (the “Act”).

RECITALS

WHEREAS, on June 15, 2023, the Legislature of the State of Nevada (the “State”) enacted the Act, section 28 of which authorized, upon certain conditions, the Board to create that certain “sports and entertainment improvement district” as defined in section 16 of the Act (the “District”); and

WHEREAS, the Act authorizes the County to issue certain bonds (“Bonds”) for the purpose of financing, refinancing, and developing, in whole or in part, the “Major League Baseball stadium project” (as defined in section 11 of the Act) (the “Project”); and

WHEREAS, with certain limited exceptions and limitations, section 29(1) of the Act requires the Board to pledge the proceeds of certain taxes, fees, or charges (collectively, “Impositions”) imposed by the State and the County for the purpose of paying the principal of and interest on the Bonds issued by the County, whether funded, refunded or otherwise, and incurred by the County to finance or refinance, in whole or in part, the Project, and to pay for other amounts described in subsection 4 of section 32 of the Act, including, without limitation, those Impositions set forth on Exhibit A attached hereto and incorporated herewith; and

WHEREAS, section 29(4) of the Act requires any state agency, local government or other public body to which the Impositions are paid to provide commercially reasonable procedures by which such Impositions paid by any business or other person operating in the District are to be identified and segmented such that they can be directed to the baseball stadium account created by the Stadium Authority pursuant to section 19 of the Act and allocated in a manner consistent with section 32 of the Act; and

WHEREAS, section 29(7) of the Act requires the County, Department and Division to enter into an agreement establishing the procedures, including any deadlines, for the distribution to the County of any money pledged pursuant to such section of the Act; and

WHEREAS, the Parties intend that this Agreement constitutes the agreement required under section 29(7) of the Act.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, the Parties agree as follows:

1. The Stadium Authority shall promptly notify each of the County, the Department, and the Division, (i) of each person or business that is operating within the District (a “Business”) and may be subject to the collection and payment of any of the Impositions; and (ii) that such Impositions shall be administered in accordance with the Act and this Agreement. Such notice (“Notice”) shall be substantially in the form attached hereto as Exhibit B. The Stadium Authority shall further notify the County, Department and the Division if any such Business closes or otherwise ceases to conduct its business operations within the District.

2. Upon receipt of any Notice pursuant to Section 1 of this Agreement, each of the County, the Department, and the Division shall implement the following procedures with respect to the Impositions collected from such Business by each of them:

- (a) The County, the Department, and the Division shall each establish and identify a “Sports and Entertainment Improvement District” account (a “SEID Account”) specific to the Business listed in the Notice. The SEID Account for each Business will be distinct and separate from any other tax or other accounts that are, or may be, established for the Business for any taxes, fees, or charges paid and collected with respect to any conduct or activity by such Business outside of the District.
- (b) The County, the Department, and the Division will each identify and segment all revenue from Impositions received from the Business listed in the Notice and deposit all such revenue into the SEID Account established for such Business.
- (c) The County, the Department, and the Division shall further establish methods for internal accounting and administrative controls to identify and segment the revenue from Impositions collected from Businesses within the District. The Department and the Division shall maintain separate accounts for the purpose of holding and paying all segmented revenue from Impositions collected from Businesses within the District which are to be distributed to the County pursuant to the Act and this Agreement.
- (d) The County shall establish a separate fund for the deposit of all Impositions collected by the County, the Department, or the Division, for the purpose of receiving, holding and paying the pledged funds in accordance with the Act and this Agreement.

3. The Department and the Division shall distribute the revenue for the Impositions received from Businesses within the District as follows:

(a) The Department and the Division shall each distribute to the County, on a monthly basis, all of the Impositions described in this Agreement which has been processed and collected in the prior month.

(b) With each distribution, the Department and the Division shall each provide the County Comptroller (or such other person designated in writing by the County) and the Stadium Authority Administrator, with a written monthly statement setting forth in reasonable detail the applicable category of Impositions collected and the amount of such Impositions collected for each such category.

4. In accordance with Section 29(7)(b) of the Act, distribution of the Impositions to the County shall:

(a) cease with respect to 90 percent of the Impositions collected in a fiscal year commencing in the fiscal year immediately following the later of: (I) the end of the fiscal year in which the 30th anniversary of the County's issuance of any bonds occurs; (II) the date on which any bonds are fully repaid; or (III) the date on which all refundable transferable tax credits have been repaid to the State pursuant to paragraph (d) of subsection 8 of section 31 of the Act; and

(b) continue after the dates set forth in section 4(a) above with respect to the remaining 10 percent of the Impositions collected in a fiscal year so long as the Project is owned by the Stadium Authority.

5. The County, the Department and the Division, respectively, shall administer and enforce those provisions of the Act and any applicable state, county, or other applicable laws, codes, or regulations pertaining to the collection and administration of those Impositions for which each is responsible, subject to compliance in all respects with the terms of this Agreement. The County, the Department, and the Division shall have all the powers, duties, and responsibilities as provided by the Act and all other applicable laws, statutes, codes, and regulations, and all amendments thereto, pertaining to the collection of any of the Impositions for which they are responsible to administer.

6. If any term or provision of this Agreement is deemed to be invalid or unenforceable to any extent, the remainder of this Agreement will not be affected thereby, and each remaining term and provision of this Agreement will be valid and be enforced to the fullest extent permitted by law.

7. No waiver of any breach of any covenant or provision contained herein will be deemed a waiver of any preceding or succeeding breach thereof or of any other covenant or provision contained herein. No extension of time for performance of any obligation or act will be deemed an extension of the time for performance of any other obligation or act.

8. This Agreement is binding upon and inures to the benefit of the Parties and their respective permitted successors and assigns. No Party shall assign any of the rights or delegate any of the duties of this Agreement without the express written consent of the other Parties.

9. Except as otherwise expressly provided, this Agreement (including all Exhibits attached hereto) constitutes the entire contract between the Parties hereto and may not be modified except by an instrument in writing signed by all Parties.

10. The Parties hereto expressly agree that this Agreement will be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of Nevada.

[Remainder of Page Intentionally Left Blank. Signature Pages Follow.]

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be duly executed on its behalf by and authorized representative to be effective as of the Effective Date.

**CLARK COUNTY BOARD OF
COMMISSIONERS**

By: _____
Chair, Board of County Commissioners

Approved as to form:

By: _____
Lisa Logsdon, County Counsel
Clark County District Attorney's Office

**STATE OF NEVADA DEPARTMENT
OF TAXATION**

By: _____
Executive Director
Nevada Department of Taxation

Approved as to form:

By: _____

**STATE OF NEVADA DIVISION OF INSURANCE
OF THE DEPARTMENT OF BUSINESS AND INDUSTRY**

By: _____
Commissioner
Nevada Division of Insurance

Approved as to form:

By: _____

**CLARK COUNTY STADIUM
AUTHORITY**

By: _____

Approved as to form:

By: _____

EXHIBIT A

(a) The following taxes, fees or charges imposed by the state government, but excluding any rate levied by a governmental entity other than the state government, pursuant to:

(1) [NRS 372.105](#) and [372.185](#) with regard to tangible personal property sold at retail, or stored, used or otherwise consumed, in the sports and entertainment improvement district during a fiscal year.

(2) [NRS 374.110](#), [374.111](#), [374.190](#) and [374.191](#) with regard to tangible personal property sold at retail, or stored, used or otherwise consumed, in the sports and entertainment improvement district during a fiscal year.

(3) [NRS 363A.130](#) and [363B.110](#) with regard to wages earned by employees located within the sports and entertainment improvement district during a fiscal year.

(4) [NRS 680B.027](#) and [680B.030](#) with regard to insurance premiums earned from policies on businesses or assets within the sports and entertainment improvement district during a fiscal year.

(5) [NRS 694C.450](#) with regard to insurance premiums earned from policies on businesses or assets within the sports and entertainment improvement district during a fiscal year.

(6) [NRS 363C.200](#) with regard to gross revenues generated within the sports and entertainment improvement district during a fiscal year.

(7) [NRS 368A.200](#) with regard to admission to any facility where live entertainment is provided within the sports and entertainment improvement district during a fiscal year.

(8) [NRS 369.330](#) with regard to any liquor purchased or otherwise consumed within the sports and entertainment improvement district during a fiscal year.

(9) [NRS 372B.140](#) with regard to fares charged for transportation services for which the point of origin or the destination is in the sports and entertainment improvement district.

(10) [Chapter 361](#) of NRS with regard to personal property, as defined in [NRS 361.030](#), located in the sports and entertainment improvement district during a fiscal year.

(11) [NRS 360.787](#) with regard to the licensing fee for operating a facility at which exhibitions are held within the sports and entertainment improvement district during a fiscal year.

(b) The following taxes, fees or charges imposed by the County, but excluding any rate levied by a governmental entity other than the County, pursuant to:

(1) The Clark County Sales and Use Tax Act of 2005 with regard to tangible personal property sold at retail, or stored, used or otherwise consumed, in the sports and entertainment improvement district during a fiscal year.

(2) The Clark County Crime Prevention Act of 2016 with regard to tangible personal property sold at retail, or stored, used or otherwise consumed, in the sports and entertainment improvement district during a fiscal year.

(3) [Chapter 377](#) of NRS with regard to tangible personal property sold at retail, or stored, used or otherwise consumed, in the sports and entertainment improvement district during a fiscal year.

(4) [Chapter 377D](#) of NRS with regard to tangible personal property sold at retail, or stored, used or otherwise consumed, in the sports and entertainment improvement district during a fiscal year.

(5) [Chapter 361](#) of NRS with regard to personal property, as defined in [NRS 361.030](#), located in the sports and entertainment improvement district during a fiscal year.

(6) [Chapters 354](#), [709](#) and [711](#) of NRS for a franchise fee for the provision of electricity, gas, telecommunications or video services in the sports and entertainment improvement district.

(7) [Chapter 354](#) of NRS for a business license fee for a business located in the sports and entertainment improvement district.

(c) With the approval of the Stadium Authority and the County, any other taxes, fees and charges which are imposed by the County at the time the sports and entertainment improvement district is created or which are later imposed by the County during the term of the development agreement, lease agreement or non-relocation agreement entered into pursuant to section 22 of the Act, but excluding any rate levied by a governmental entity other than the County and also excluding:

(1) Any tax, fee or charge that, if transferred to the baseball stadium tax account, would violate the United States Constitution or the Nevada Constitution;

(2) Any tax, fee or charge that is irrevocably pledged to the repayment of a bond issued before the effective date of section 29 of the Act and is not otherwise available to satisfy obligations of the County pursuant to section 29 of the Act following the release of such tax, fee or charge from such prior pledge;

(3) Any tax, fee or charge for services provided by any publicly owned and operated utility; and

(4) Any ad valorem tax on real property exempted pursuant to paragraph (c) of subsection 1 of section 33 of the Act.

EXHIBIT B

**NOTICE OF BUSINESS LOCATED WITHIN THE
NEVADA SPORTS AND ENTERTAINMENT IMPROVEMENT DISTRICT**

Name of Business: _____ (the “Business”)

Business Address: _____

Department of Taxation/Division of Insurance Identification Number for Business (if known):

The Stadium Authority hereby notifies the County, the Department of Taxation, and the Division of Insurance that the Business is located within the County and the Nevada Sports and Entertainment Improvement District (the “District”). The Business generates revenues within the District and such revenues are or may be subject to the Southern Nevada Tourism Innovation Act (the “Act”) and shall be administered in accordance with the Act and the Sports and Entertainment Improvement District Interlocal Agreement, dated as of _____, 20__.

CLARK COUNTY STADIUM AUTHORITY

By: _____

Printed Name and Title

Date