

GENERAL ASSEMBLY OF NORTH CAROLINA

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Short Title: Regional Sports Authorities.

(Public)

Sponsors:

Referred to:

May 4, 1989

A BILL TO BE ENTITLED

AN ACT TO ALLOW THE CREATION OF REGIONAL SPORTS AUTHORITIES.

The General Assembly of North Carolina enacts:

Section 1. Article 20 of Chapter 160A of the General Statutes is amended to add a new Part to read as follows:

PART 3. REGIONAL SPORTS AUTHORITIES.

160A-479. Creation of authority; definition.

(a) Any two or more units of local government may create a regional sports authority by adopting identical concurrent resolutions to that effect in accordance with the provisions of this Part. The concurrent resolutions creating a regional sports authority, and any amendments thereto will be referred to in this Part as the 'charter' of the regional sports authority. For the purposes of this Part, 'unit of local government' means a county, city or consolidated city-county.

(b) Any regional sports authority created pursuant to this Part shall be a body corporate and politic.

160A-479.1. Purpose of the authority.

The purpose of a regional sports authority shall be to research, design, construct, provide, finance, operate, improve, and maintain facilities for public participation and enjoyment of sports, fitness, health and recreational activities of as many different types and kinds as possible. The primary purpose of any and all such facilities shall be the conduct of sports events but use of these facilities need not be limited to such.

1 **"§ 160A-479.2. Jurisdiction of the authority.**

2 (a) The territorial jurisdiction of any authority created pursuant to this Part shall
3 be coterminous with the boundaries of the respective units of local government creating
4 and participating in the authority.

5 (b) The jurisdiction of any authority created pursuant to this Part shall include
6 any and all currently existing public sports facilities operating within its territorial
7 jurisdiction to the extent that any person or governmental entity owning or controlling
8 such facilities has reached mutual and written agreement with an authority for the
9 operation and maintenance of such facilities by the authority.

10 (c) The jurisdiction of an authority shall also include any and all new public
11 sports facilities within the regional authority's territorial jurisdiction developed
12 specifically for operation and maintenance by an authority with the agreement of an
13 authority.

14 **"§ 160A-479.3. Membership.**

15 Each unit of local government initially adopting a concurrent resolution under G.S.
16 160A-479 shall become a member of the regional authority. Thereafter, any local
17 government may join the regional authority by ratifying its charter and by being
18 admitted by a majority vote of the existing members. All of the rights and privileges of
19 membership in a regional sports authority shall be exercised on behalf of its member
20 governments by their delegates to the authority.

21 **"§ 160A-479.4. Contents of charter.**

22 The charter of a regional sports authority shall:

- 23 (1) Specify the name of the authority;
- 24 (2) Establish the powers, duties, and functions that it may exercise and
25 perform;
- 26 (3) Establish the number of delegates to represent the member
27 governments, fix their terms of office, provide methods for filling
28 vacancies, and prescribe the compensation and allowances, if any, to
29 be paid to delegates;
- 30 (4) Set out the method of determining the financial support that will be
31 given to the authority by each member government;
- 32 (5) Establish a method for amending the charter, and for dissolving the
33 authority and liquidating its assets and liabilities.

34 In addition, the charter may, but need not, contain rules and regulations for the conduct
35 of authority business and any other matter pertaining to the organization, powers, and
36 functioning of the authority that the member governments deem appropriate.

37 **"§ 160A-479.5. Organization of authority.**

38 Upon its creation, a regional sports authority shall meet at a time and place agreed
39 upon by its member governments and shall organize by electing a chairman and any
40 other officers that the charter may specify or the delegates may deem advisable. The
41 authority shall then adopt bylaws for the conduct of its business. All meetings of the
42 authority shall be open to the public.

43 **"§ 160A-479.6. Withdrawal from authority.**

1 Any member government may withdraw from a regional sports authority at the end
2 of any fiscal year by giving at least 60 days' written notice to each of the other members
3 but such withdrawal shall not affect the validity of any bonds or notes, and the area of
4 the member government shall remain in the area for which taxes may be levied by the
5 authority to pay principal and interest on any bonds or notes issued prior to the date of
6 notice of the withdrawal. Withdrawal of a member government shall not dissolve the
7 authority if at least two members remain.

8 **"§ 160A-479.7. Powers of authority.**

9 The charter may confer on the regional sports authority any or all of the following
10 powers:

- 11 (1) To apply for, accept, receive, and dispense funds and grants made
12 available to it by the State of North Carolina or any agency thereof, the
13 United States of America or any agency thereof, any unit of local
14 government (whether or not a member of the authority), and any
15 private or civic agency;
- 16 (2) To employ personnel;
- 17 (3) To contract with consultants;
- 18 (4) To contract with the State of North Carolina, any other state, the
19 United States of America, or any agency thereof, for services;
- 20 (5) To adopt bylaws for the regulation of the affairs and the conduct of its
21 business, and to prescribe rules, regulations and policies in connection
22 with the performance of its functions and duties, not inconsistent with
23 this Part;
- 24 (6) To adopt an official seal and alter the same at pleasure;
- 25 (7) To acquire and maintain an administrative building or office at such
26 place or places as it may determine, which building or office may be
27 used or owned alone or together with any municipalities, corporations,
28 associations or persons under such terms and provisions for sharing
29 costs and otherwise as may be determined;
- 30 (8) To sue and be sued in its own name, and to plead and be impleaded;
- 31 (9) To receive, administer, and comply with the conditions and
32 requirements respecting any gift, grant, or donation of any property or
33 money;
- 34 (10) To acquire by purchase, lease, gift, or otherwise, or to obtain options
35 for the acquisition of, any property, real or personal, improved or
36 unimproved, including an interest in land less than the fee thereof;
- 37 (11) To sell, lease, exchange, transfer, or otherwise dispose of, or to grant
38 options for any such purposes with respect to, any real or personal
39 property or interest therein;
- 40 (12) To pledge, assign, mortgage, or otherwise grant a security interest in
41 any real or personal property or interest therein, including the right and
42 power to pledge, assign, or otherwise grant a security interest in any
43 money, rents, charges, or other revenues and any proceeds derived by
44 an authority from any and all sources;

- 1 (13) To issue bonds of the authority for the purpose of providing funds for
2 any of its corporate purposes;
- 3 (14) With the approval of the unit of local government's chief
4 administrative official, to use officers, employees, agents, and facilities
5 of the unit of local government for such purposes and upon such terms
6 as may be mutually agreeable;
- 7 (15) To develop and make data, plans, information, surveys, and studies of
8 public sports and recreation facilities within the territorial jurisdiction
9 of an authority, to prepare and make recommendations in regard
10 thereto;
- 11 (16) To study and plan for new and improved major regional sports and
12 recreational facilities including but not limited to arenas, stadia,
13 gymnasias, natatoria, pitches, fields, water courses, and other areas for
14 the conduct of sports and recreational activities. These facilities
15 should be of such sizes and in such locations that they will be adequate
16 to serve the population of the entire jurisdiction of the authority (and
17 beyond) to the extent possible;
- 18 (17) To design any new such facilities so they include such equipment and
19 design that efficiency, cost, accessibility, utility, and usability of such
20 facilities will be maximized;
- 21 (18) To have sports facilities grouped into complexes or separated as an
22 authority may see fit, and such facilities may include ancillary support
23 facilities including but not limited to those for administration, sports
24 science, sports medicine, training, museums, meeting rooms and
25 conference centers, accommodations, food services, retail shops,
26 theatres, video services, schools, and educational services.
- 27 (19) To operate the facilities in such a way as to make them as accessible as
28 possible for rental and use by the public while balancing the need for
29 as many of the facilities as possible (particularly any arenas and stadia)
30 to operate annually without a deficit (exclusive of any debt service);
- 31 (20) To operate such facilities together with the State, any entity of the
32 State, or local government as appropriate to maintain a high profile
33 and promotional value for North Carolina and the region encompassed
34 by an authority and to attract as many major regional, national, and
35 international tournaments, events, championships training centers,
36 training camps, and headquarters for the governance of various sports,
37 associations, and events as reasonable and possible;
- 38 (21) To generate a significant and continuing positive economic impact on
39 the region and State through the construction and operation of facilities
40 and conduct of events and activities within the facilities;
- 41 (22) To set and collect such fees and charges for use of such facilities as is
42 reasonable to offset operating costs of said facilities and yet enable
43 said facilities to be affordable to and used by as much of the regional
44 and State population as possible;

- 1 (23) To collect or contract for the collection of taxes;
2 (24) To apply to the appropriate agencies of the State, the United States or
3 any state thereof, and to any other proper agency for such permits,
4 licenses, certificates or approvals as may be necessary, and to
5 construct, maintain and operate projects in accordance with such
6 licenses, permits, certificates or approvals in the same manner as any
7 other person or operating unit of any other person;
8 (25) To employ engineers, architects, attorneys, real estate counselors,
9 appraisers, financial advisors and such other consultants and
10 employees as may be required in the judgment of an authority and to
11 fix and pay their compensation from funds available to an authority
12 therefor and to select and retain subject to approval of the Local
13 Government Commission, the financial consultants, underwriters and
14 bond attorneys to be associated with the issuance of any bonds and to
15 pay for services rendered by underwriters, financial consultants, or
16 bond attorneys out of the proceeds of any such issue with regard to
17 which the services were performed;
18 (26) To levy for the life of general obligation and revenue bonds issued by
19 the authority an annual property tax for operating supplements or debt
20 service reserved supplements as hereinafter provided;
21 (27) To cause property taxes to be levied and collected upon all taxable
22 property within the territorial jurisdiction of the authority sufficient to
23 meet the obligations of the authority; and
24 (28) To do all acts and things necessary, convenient, or desirable to carry
25 out the purposes, and to exercise the powers granted to an authority
26 herein.

27 **"§ 160A-479.8. Fiscal accountability.**

28 A Regional Sports Authority is a public authority subject to the provisions of
29 Chapter 159 of the General Statutes of North Carolina.

30 **"§ 160A-479.9. Funds.**

31 (a) The establishment and operation of an authority as herein authorized are
32 governmental functions and constitute a public purpose, and the State of North Carolina
33 and any unit of local government may appropriate funds to support the establishment
34 and operation of an authority.

35 (b) The State of North Carolina and any unit of local government may also
36 dedicate, sell, convey, donate or lease any of their interests in any property to an
37 authority.

38 (c) If the governing body of an authority finds that the funds otherwise available
39 are insufficient, it may call a special election without a petition and submit to the
40 qualified voters within the territorial jurisdiction of an authority the question of whether
41 or not a special ad valorem tax shall be levied and/or bonds issued, specifying the
42 maximum amount thereof, for the purpose of acquiring lands, buildings, equipment and
43 facilities and for the operating of an authority.

(d) No ad valorem tax may be levied by the authority unless the governing bodies of the units of local government that created the authority approve the levy in resolutions adopted by the bodies and the tax is approved by a majority vote of the people in each county that created the authority and in each city or other unit that created the authority and is not entirely within a county that created the authority. This subsection implements subsection (c) of this section.

After the governing bodies of the units that created the authority approve an ad valorem tax levy, the authority may call a referendum on approval of the tax levy. The referendum may be held at the same time as any other referendum or election, but may not be otherwise held within the period of time beginning 30 days before and ending 10 days after any other referendum or election to be held anywhere in the territorial jurisdiction of the authority and already validly called or scheduled by law at the time the tax referendum is called. The referendum shall be conducted by the county board or boards of elections. The authority shall publish a notice of the referendum at least twice. The first publication shall be not less than 14 days and the second publication not less than seven days before the last day on which voters may register for the referendum. The notice shall state the date of the referendum, the purpose for which it is being held, and a statement as to the last day for registration for the referendum under the election laws then in effect.

The proposition submitted to the voters shall be substantially in one of the following forms:

- (1) Shall Regional Sports Authority be authorized to levy annually a property tax at an effective rate not in excess of cents on the one hundred dollars (\$100.00) value of property subject to taxation for the purpose of?
- (2) Shall Regional Sports Authority be authorized to levy annually a property tax at a rate not in excess of that which will produce \$..... for the purpose of?

The board of elections shall canvass the referendum and certify the results to the authority. The authority shall then certify and declare the result of the referendum and shall publish a statement of the result once, with the following statement appended: 'Any action or proceeding challenging the regularity or validity of this tax referendum must be begun within 30 days after (date of publication).' The statement of results shall be filed in the office of the authority and inserted in the minutes of the authority.

Any action or proceeding in any court challenging the regularity or validity of a tax referendum must be begun within 30 days after the publication of the results of the referendum. After the expiration of this period of limitation, no right of action or defense based upon the invalidity of or any irregularity in the referendum shall be asserted, nor shall the validity of the referendum be open to question in any court upon any ground whatever, except in an action or proceeding begun within the period of limitation prescribed herein.

"§ 160A-479.10. Controlling provisions.

Insofar as the provisions of this Part are not consistent with the provisions of any other law, public or private, the provisions of this Part shall be controlling.

1 **"§ 160A-479.11. Conflicts of interest of public officials.**

2 Members, officers, and employees of any authority created under this Part shall be
3 subject to the provisions of G.S. 14-234.

4 **"§ 160A-479.12. Bonds and notes authorized.**

5 In addition to the powers hereinbefore allowed, an authority may, in its charter, be
6 granted the power to issue bonds and notes pursuant to the provisions of the Local
7 Government Bond Act and the Local Government Revenue Bond Act for the purpose of
8 financing regional sports and recreational facilities (including support facilities) or any
9 Part thereof and to refund such bonds and notes, whether or not in advance of their
10 maturity or earliest redemption date.

11 **"§ 160A-479.13. Acquisition of property.**

12 In addition to the powers hereinbefore granted, an authority may, in its charter, be
13 granted continuing power to acquire, by gift, grant, devise, bequest, exchange, purchase,
14 lease with or without option to purchase, or any other lawful method, the fee or any
15 lesser interest in real or personal property for use by an authority.

16 **"§ 160A-479.14. Tax exemption.**

17 (a) The property of an authority, both real and personal, its acts, activities and
18 income shall be exempt from any tax or tax obligation; in the event of any lease of
19 authority property, or other arrangement which amounts to a leasehold interest, to a
20 private party, this exemption shall not apply to the value of such leasehold interest nor
21 shall it apply to the income of the lessee.

22 (b) Otherwise, however, for the purpose of taxation, when property of an
23 authority is leased to private parties solely for the purpose of an authority, the acts and
24 activities of an authority for the purpose of exemption of the lessee shall be considered
25 as the acts and activities of the private parties.

26 (c) The interest on bonds or obligations issued by an authority shall be exempt
27 from State taxes.

28 **"§ 160A-479.15. Removal and relocation of utility structures.**

29 (a) An authority may require any public utility, railroad, or other public service
30 corporation owning or operating any installations, structures, equipment, apparatus,
31 appliances or facilities in, upon, under, over, across or along any land or facility where
32 an authority has the right to own, construct, operate or maintain its facilities to remove
33 or relocate such installation, structures, equipment, apparatus, appliances or facilities
34 from their location.

35 (b) If the owner or operator thereof fails or refuses to remove or relocate them, an
36 authority may proceed to do so.

37 (c) An authority may provide the necessary new locations or an authority may
38 also acquire the necessary new locations by purchase or otherwise, but not by eminent
39 domain.

40 (d) An authority shall reimburse the public utility, railroad or other public service
41 corporation, for the cost of relocations which shall be the entire amount paid or incurred
42 by the utility properly attributable thereto after deducting the cost of any increase in the
43 service capacity of the new installations, structures, equipment, apparatus, appliances or

1 facilities and any salvage value derived from the old installations, structures, equipment,
2 apparatus or appliances.

3 **"§ 160A-479.16. Determination of tax rate by authority; levy and collection of tax;**
4 **remittance and deposit of funds.**

5 After each assessment for taxes following the creation of the authority, the board
6 or boards of commissioners of the county or counties within which the territorial
7 jurisdiction of the authority is located shall file with the authority the valuation of
8 assessable property within the territorial jurisdiction of the authority. The authority shall
9 then determine the amount of funds to be raised by taxation for the ensuing year in
10 excess of available funds to provide for:

11 (1) The payment of interest on and principal of all outstanding general
12 obligation bonds as the same shall become due and payable and to pay
13 all obligations incurred by the authority in the performance of its
14 lawful undertakings and functions; and

15 (2) The operating expenses of the authority and its facilities.

16 The authority shall determine the number of cents per hundred dollars necessary
17 to raise said amount and certify such rate to the appropriate board or boards of
18 commissioners of the appropriate county or counties. The board or boards of
19 commissioners of such county or counties shall include the number of cents per hundred
20 dollars certified by the authority in its next annual levy against all taxable property
21 within the territorial jurisdiction of the authority which tax shall be collected as other
22 county taxes are collected, and every month the amount of tax so collected shall be
23 remitted to the authority and deposited by the authority in a separate account in a bank
24 in the State. Such levy may include an amount for reimbursing the particular county for
25 the cost to the county of levying and collecting any such taxes. The officer or officers
26 having charge or custody of the funds of the authority shall require security for
27 protection of deposits as provided in the Local Government Budget and Fiscal Control
28 Act.

29 **"§ 160A-479.17. Bond elections.**

30 Elections for the purpose of authorizing the levy of taxes for the issuance of
31 bonds shall be called by the authority and shall be conducted and the results canvassed
32 by the boards of elections having jurisdiction within the participating units. Such results
33 shall be certified to the authority which shall certify and declare the result of the
34 election and publish a statement of the result once as provided in the Local Government
35 Bond Act.

36 **"§ 160A-479.18. Advances.**

37 Any member government unit may make advances, from any moneys that may
38 be available for such purpose, in connection with the creation of the authority and to
39 provide for the preliminary expenses of such authority. Any such advances may be
40 repaid to such participating units of local government from the proceeds of the bonds
41 issued by such authority, if capital in nature, or from other available funds of the
42 authority.

43 **"§ 160A-479.19. Annexation.**

1 The annexation by a member government which is a city of areas lying outside of
2 the territorial jurisdiction of the authority shall make such annexed area a part of the
3 territorial jurisdiction of the authority, and such area shall be subject to all debts and all
4 obligations thereof."

5 Sec. 1.1. G.S. 105-164.14(c), as amended by Section 5 of Chapter 168 of the
6 1989 Session Laws and Chapter 251 of the 1989 Session Laws, reads as rewritten:

7 "(c) Upon receipt of timely applications for refund, the Secretary of Revenue shall
8 make refunds annually to all governmental entities, as hereinafter defined, of sales and
9 use tax paid under this Article, except under G.S. 105-164.4(4a) and G.S. 105-164.4(c),
10 by said governmental entities on direct purchases of tangible personal property. Sales
11 and use tax liability indirectly incurred by such governmental entities on building
12 materials, supplies, fixtures and equipment which shall become a part of or annexed to
13 any building or structure being erected, altered or repaired which is owned or leased by
14 such governmental entities shall be construed as sales or use tax liability incurred on
15 direct purchases by such governmental entities, and such entities may obtain refunds of
16 such taxes indirectly paid. The refund provisions contained in this subsection shall not
17 apply to any governmental entities not specifically named herein. In order to receive the
18 refund herein provided for, governmental entities shall file a written request for said
19 refund within six months of the close of the fiscal year of the governmental entities
20 seeking said refund, and such request for refund shall be substantiated by such records,
21 receipts and information as the Secretary may require. No refunds shall be made on
22 applications not filed within the time allowed by this section and in such manner as the
23 Secretary may otherwise require. The term 'governmental entities,' for the purposes of
24 this subsection, shall mean all counties, incorporated cities and towns, water and sewer
25 authorities created and existing under the provisions of Chapter 162A of the General
26 Statutes, lake authorities created by a board of county commissioners pursuant to an act
27 of the General Assembly, sanitary districts, regional councils of governments created
28 pursuant to G.S. 160A-470, area mental health, mental retardation, and substance abuse
29 authorities (other than single-county area authorities) established pursuant to Article 4
30 of Chapter 122C of the General Statutes, district health departments, regional planning
31 and economic development commissions created pursuant to G.S. 158-14, regional
32 sports authorities created pursuant to G.S. 160A-479, regional economic development
33 commissions created pursuant to G.S. 158-8, regional planning commissions created
34 pursuant to G.S. 153A-391, metropolitan sewerage districts and metropolitan water
35 districts in this State, the North Carolina Low-Level Radioactive Waste Management
36 Authority created pursuant to Chapter 104G of the General Statutes, the North Carolina
37 Hazardous Waste Management Commission created pursuant to Chapter 130B of the
38 General Statutes, and the Rockingham County Airport Authority."

39 Sec. 2. G.S. 159-81(1) reads as rewritten:

40 "(1) 'Municipality' means a county, city, town, incorporated
41 village, sanitary district, metropolitan sewerage district, metropolitan
42 water district, county water and sewer district, water and sewer
43 authority, hospital authority, hospital district, parking authority,
44 special airport district, regional sports authority, and airport

1 authority, a joint agency created pursuant to Part 1 of Article 20 of
2 Chapter 160A of the General Statutes, but not any other forms of
3 local government."

4 Sec. 3. G.S. 159-44(4) reads as rewritten:

5 "(4) 'Unit,' 'unit of local government,' or 'local government'
6 means counties; cities, towns, and incorporated villages; sanitary
7 districts; mosquito control districts; hospital districts; metropolitan
8 sewerage districts; metropolitan water districts; county water and
9 sewer districts; regional sports authorities; and special airport
10 districts."

11 Sec. 4. G.S. 159-48(e) reads as rewritten:

12 "(e) Each sanitary district, mosquito control district, hospital district, metropolitan
13 sewerage district, metropolitan water district, county water and sewer district, regional
14 sports authority and special airport district is authorized to borrow money and issue its
15 bonds under this Article in evidence thereof for the purpose of paying any capital costs
16 of any one or more of the purposes for which it is authorized, by general laws uniformly
17 applicable throughout the State, to raise or appropriate money, except for current
18 expenses."

19 Sec. 5. This act is effective upon ratification.