

SENATE BILL 2402  
By Cohen

AN ACT to amend Tennessee Code Annotated, Title 7, Chapter 53, relative to the operation and powers of industrial development corporations.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 7-53-101(4), is amended by deleting that subsection in its entirety and substituting instead the following language:

(4) "Enterprise" means the manufacturing, processing, assembly, commercial, sports and recreational, service and agricultural operations to be carried on with or otherwise using the facilities of the project;

SECTION 2. Tennessee Code Annotated, Section 7-53-101(11), is amended by adding as a new subsection (E) the following language:

(E) Sports and recreational facilities, and all real and personal properties deemed necessary in connection therewith, whether or not now in existence;

SECTION 3. Tennessee Code Annotated, Section 7-53-101(12), is amended by inserting between the words "as herein provided" and ";and" the following language:

and also includes, without limitation, with respect to sports and recreational facilities owned or operated by the corporation, any revenues derived directly or indirectly by the corporation from the project, including, without limitation, revenues from rents, rates, fees and charges for use of the sports and recreational facility and for services rendered in connection with the sports and recreational facility, parking, food

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and beverage concessions, endorsements, ticket sales, souvenir sales, advertising, radio and television.

SECTION 4. Tennessee Code Annotated, Section 7-53-101, is amended by adding as a new subsection (14) the following language:

(14) "Sports and recreational facilities" means stadiums, parks or facilities for: any and all types of sports and recreational pursuits; musical, theatrical and other social events; and, professional sports franchises and teams, relating to any and all sports, games, events or exhibitions, and also includes all structures located on the site of stadiums, parks or other such facilities.

SECTION 5. Tennessee Code Annotated, Section 7-53-102(a), is amended by adding the following language at the end of the last sentence thereof:

; provided that such corporation is authorized to manage and operate sports and recreational facilities and other projects adjacent thereto and to enter into contracts, including, without limitation, development contracts, leases and short- or long-term management contracts, with respect thereto, and to determine under its discretion or the discretion of its manager the provisions contained in such contracts.

SECTION 6. Tennessee Code Annotated, Section 7-53-102, is amended by adding a new subsection (b) as follows and by relettering existing subsections accordingly.

(b) It is the further finding of the general assembly by the passage of this act that:

(1) There is an immediate need to promote and further develop recreational opportunities in this state by facilitating and equipping the acquisition, construction and rehabilitation of sports and recreational facilities for the holding of professional and amateur athletic events and musical, theatrical and other social events; and

(2) The development of such facilities will provide a means to attract and locate professional team franchises in the state, will enhance the state's image

as a sports and entertainment center, and will encourage and foster economic development and prosperity, including the creation and maintenance of jobs, the creation of new and lasting infrastructure and other improvements, and the retention of sports and entertainment events that generate economic activity; and

(3) Sports and recreational facilities can attract substantial interstate tourism resulting in increased retail sales, hotel and restaurant sales, and entertainment industry sales, all of which increase jobs and encourage and foster economic development and prosperity;

Therefore, it is a purpose of this chapter to address these findings by authorizing corporations to promote, finance, construct, acquire, renovate, equip and enlarge sports and recreational facilities for public participation and enjoyment of professional and amateur sports, fitness, health and recreational activities, and musical, theatrical and other social events, to assist and ensure the location of franchises in the state, and to own and operate professional sports franchises and teams and projects adjacent to sports and recreational facilities.

SECTION 7. Tennessee Code Annotated, Section 7-53-106, is amended by deleting the second sentence and substituting instead the following language:

Projects may be acquired, purchased, constructed, reconstructed, improved, bettered, operated, managed, and extended, and bonds may be issued under this chapter for such purposes, notwithstanding that any other general, special or local law may provide for the acquisition, purchase, construction, reconstruction, improvement, betterment, operation, management and extension of a like project, or the issuance of bonds for like purposes, and without regard to the requirements, restrictions, limitations or other provisions contained in any other general, special or local law.

SECTION 8. Tennessee Code Annotated, Section 7-53-302(a), is amended by adding the following subdivision (14) with the following language:

(14) In addition to all other powers of corporations specified herein, manage, operate and maintain sports and recreational facilities and projects adjacent to sports and recreational facilities, and to exercise all powers necessary or incidental to such activities, including, without limitation, entering into leases with respect thereto or contracts for the development, operation, maintenance and management thereof and, with respect thereto, to exercise any of the following powers, together with such other powers necessary or incidental to such activities:

(A) Fix and collect rates, rentals, fees and charges for the use of any and all of the sports and recreational facilities and projects adjacent to sports and recreational facilities of the corporation;

(B) Contract for the operation of concessions on or in any of the sports and recreational facilities of the corporation;

(C) Contract for radio and television rights and endorsements of any professional sports franchises and teams of the corporation;

(D) Advertise and promote within or without the state any of the sports and recreational facilities of the corporation;

(E) Procure and enter into contracts for any type of insurance or indemnity against such risk, liability, loss or damage; and

(F) Accept donations, contributions, revenues, grants or gifts from any individuals, associations, public or private corporations, municipalities, states, or the United States, or any agency or instrumentality thereof, for or in aid of any of the purposes of this chapter and to enter into agreements in connection therewith.

SECTION 9. This act shall take effect upon becoming a law, the public welfare requiring it.