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13 **FIRST JUDICIAL DISTRICT COURT OF NEVADA**
14 **CARSON CITY**

15 STRONG PUBLIC SCHOOLS NEVADA, a
16 political action committee; VICKI KREIDEL,
17 an individual; and CHRISTINA
GIUNCHIGLIANI, an individual,

18 Plaintiffs,

19 vs.

20 STATE OF NEVADA, ex rel. the Office of the
21 State Treasurer of Nevada; ZACH CONINE,
22 Nevada State Treasurer, in his official capacity; and,
23 JOE LOMBARDO, Nevada Governor, in his official
24 capacity,

25 Defendants.

Case No.: 24 DC 000241B

Dept: II

26 **COMPLAINT FOR DECLARATORY AND INJUNCTIVE RELIEF**

27 **[Exemption from Arbitration Based on Equitable and Declaratory Relief Requested NAR**

28 **3(A), 5(A)]**

REC'D & FILED

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WILLIAM SCOTT HOEN
CLERK

BY K. PETERSON

DEPUTY

1 Plaintiffs STRONG PUBLIC SCHOOLS NEVADA, a political action committee
2 (“SPSN”), Vicki Kreidel, and Christina Giunchigliani, file this Complaint against Defendants the
3 State of Nevada; Joseph Lombardo, in his official capacity as Governor of the State of Nevada
4 and; Zach Conine, and in his official capacity as Nevada State Treasurer. Plaintiffs allege as
5 follows:

6 **JURISDICTION AND VENUE**

7 1. This Court has subject matter jurisdiction pursuant to Article 6, § 6(1) of the
8 Nevada Constitution and NRS 30.030 and NRS 30.100. Furthermore, because Plaintiffs seek
9 injunctive relief, this Court has original jurisdiction over such claims. *See Edwards v. Emperor’s*
10 *Garden Rest.*, 122 Nev. 317, 324, 130 P.3d 1280, 1284 (2006) (“The district court possesses
11 original jurisdiction . . . over claims for injunctive relief.”).

12 2. The Court has personal jurisdiction over all of the Defendants, who are residents
13 and officials of the State of Nevada, pursuant to NRS 14.065.

14 3. Venue is proper pursuant to NRS 13.010, 13.020(3), and 13.040 because all of the
15 Defendants either reside or carry out their official duties in Carson City.

16 **PARTIES**

17 4. Plaintiff SPSN is a state political action committee affiliated with the Nevada
18 State Education Association under the laws of Nevada and under section 527 of the Internal
19 Revenue Code to support public education and oppose the diversion of public money for private
20 or corporate use. It is authorized to do business in Nevada, and its members and supporters,
21 including Nevada public school teachers and students, will be harmed by SB1 (35th Special
22 Session Leg., Nev. 2023) (hereinafter “SB1 2023”).

23 5. Plaintiff Vicki Kreidel has been a Nevada resident for 10 years, working as an
24 elementary school reading specialist in Clark County, Nevada, and is the President of the
25 National Education Association of Southern Nevada.

26 6. Plaintiff Christina Giunchigliani is a 45-year Nevada resident, a former teacher in
27 Clark County, a former elected representative in Clark County and a former elected
28 representative in the Nevada State Assembly.

1 21. SB1 2023 did NOT receive an affirmative vote of more than 2/3rds of the
2 members of the Nevada State Senate and/or the Nevada State Assembly.

3 22. On or about June 15, 2023, SB1 2023 was signed into law by Governor Joe
4 Lombardo.

5 23. As stated in its Legislative Counsel’s Digest, 2023 SB1 is known as the “Southern
6 Nevada Tourism Innovation Act” and provides a method to finance the development and
7 construction of a Major League Baseball stadium project (the “Project”) in Clark County.¹

8 24. To pay for the Project, SB1 2023 mandates the issuance of general obligation
9 bonds by Clark County. *See* SB1 2023 at Section 34.

10 25. SB1 2023 pledges the proceeds of certain existing taxes, fees, and charges
11 imposed by (a) the State and (b) the County in the “Sports and Entertainment Improvement
12 District” to pay the principal and interest on the bonds. *See* SB1 2023 at Section 29.1.

13 26. The above-referenced pledge of taxes, fees and charges set forth in Section
14 29.1(a) of SB1 2023 (state tax proceeds) is subject to the qualification that it does not create
15 “[a]ny form of contract, obligation, or pledge granting, providing or otherwise securing the full
16 faith and credit of the State for any payment . . . of any public or private debts” nor is it a
17 “surrender by the Legislature of any sovereign power of the state government to enact, amend or
18 repeal any law” *See* SB1 2023 at Section 29.8(a) and (b).

19 27. Despite the law’s illusory commitment to avoid saddling the State of Nevada with
20 public debt, other language in the law, and common sense, demonstrate that Nevada taxpayers
21 will necessarily incur public debt if SB1 2023 is implemented.

22 28. To support the bonds issued by Clark County, SB1 2023 requires the Nevada
23 State Treasurer to provide a “credit enhancement” on the bonds. The Nevada State Treasurer
24 must set aside money into a “designated fund” to fund that credit enhancement. *See* SB1 2023 at
25 Sections 30 and 41.

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¹ <https://legiscan.com/NV/bill/SB1/2023/X2>

1 42. The Nevada Constitution Appropriations Clause is intended to promote
2 transparency and accountability and to ensure that the people are informed about how their
3 government intends to expend public funds.

4 43. Sections 30.5 and 30.9 of SB1 2023 direct the Nevada State Treasurer to fund the
5 designated fund, but do not specify a maximum amount of money that can be utilized.
6 Specifically, Section 30.9 provides a “continuing appropriation” for the State Treasurer to
7 “gather, transfer and deposit . . . unencumbered money not already committed for expenditure, in
8 an amount sufficient to replenish the designated fund” from various sources, including “[t]he
9 unreserved fund balance in the State General Fund.” SB1 Section 30.5(b) and 30.9.

10 44. SB1 2023 requires the State to issue a “credit enhancement” and mandates the
11 creation of a “designated fund” to fund the credit enhancement. Because this provision is a draw
12 from the Nevada State Treasury, it is in violation of Nevada Constitution Article 4, § 19 because
13 it fails to specify the sum to be drawn, a limit on the sum that may be drawn, or a method for
14 determining the sum or limit to be drawn.

15 ***Requirement To Demonstrate Why A Law Cannot Be A General Law***

16 45. Article 4 of the Nevada Constitution states that “in all cases . . . where a general
17 law can be made applicable, all laws shall be general and of uniform operation throughout the
18 state.” Nev. Const., Article 4, § 21.

19 46. A local law is one that “operates over ‘a particular locality instead of over the
20 whole territory of the State.’” *Clean Water Coal. v. M Resort, LLC*, 127 Nev. 301, 312, 255 P.3d
21 247, 255 (2011) (alteration in original) (quoting *Damus v. County of Clark*, 93 Nev. 512, 516,
22 569 P.2d 933, 935 (1977)).

23 47. The Nevada Constitution requires that a general law be “made applicable” when
24 “the conditions the law addresses are found in at least a variety of places throughout the state.”
25 *Id.* at 321, 255 P.3d at 260-61 (quoting *Mun. City of South Bend v. Kimsey*, 781 N.E.2d 683, 692
26 (Ind. 2003)).

27 48. A local law is permissible where a general law is “insufficient to meet the peculiar
28 needs of a particular situation” and in an “emergency which require[s] more speedy action and

1 relief than could be had by proceeding under the existing general law.” *See Cauble v. Beemer* 64
2 Nev. 77, 96, 177 P.2d 677, 686 (1947).

3 49. SB1 2023 is a local law because it operates over Clark County instead of the
4 whole territory of Nevada. SB1 2023 provides for a stadium to be constructed in Clark County
5 (Las Vegas) and for Clark County to issue bonds. *See* SB1 2023 at Sections 2.1(c), 5, 22.2(a),
6 and 34.

7 50. SB1 2023 concludes that “the Las Vegas area is the only area in this State that . . .
8 [i]s appropriate and suitable for the development of such large-scale and one-of-a-kind
9 entertainment and sports venues and facilities” and “[h]as all the necessary local and special
10 attributes, conditions and resources.” SB1 2023 at Section 2.1(d)(1)-(2).

11 51. SB1 2023’s attempt to demonstrate why a general law could not have been
12 applied fails to include a population classification, and therefore SB1 2023 is invalid.

13 52. In making its conclusory finding that the Las Vegas area was the only suitable
14 area for this large-scale project, SB1 2023 contains no evidence of the required formal analysis
15 to explain why another Nevada locality could not have been appropriate and suitable for such a
16 development. Therefore, SB1 2023 is defective on its face because it failed to perform and set
17 forth the relevant analysis to satisfy the constitutional requirement of a general law vs. local law.

18 ***Impermissible Public Debt***

19 53. Article 9, Section 3 of the Nevada Constitution provides in pertinent part:

20 The State may contract public debts; but such debts shall never, in the aggregate,
21 exclusive of interest, exceed the sum of two per cent of the assessed valuation of
22 the State Every such debt shall be authorized by law for some purpose or
23 purposes, to be distinctly specified therein; and every such law shall provide for
24 levying an annual tax sufficient to pay the interest semiannually, and the principal
25 within twenty years from the passage of such law, and shall specially appropriate
26 the proceeds of said taxes to the payment of said principal and interest; and such
27 appropriation shall not be repealed nor the taxes postponed or diminished until the
28 principal and interest of said debts shall have been wholly paid.

1 54. Article 9, Section 4 of the Nevada Constitution provides in pertinent part:

2 The State shall never assume the debts of any county, town, city or other
3 corporation whatever, unless such debts have been created to repeal invasion[,]
4 suppress insurrection or to provide for the public defense.

5 55. “A public debt . . . is created when an obligation binds future legislatures to
6 successive appropriations.” *Employers Ins. Co. of Nev. v. State Bd. of Examiners*, 117 Nev. 249,
7 254, 21 P.3d 628, 631 (2001).

8 56. SB1 2023 requires the creation of a designated fund in the Nevada State Treasury
9 to pay or assist in payment of the bond debt issued by Clark County to fund the Project. Clark
10 County is allowed to draw from the designated fund as required to satisfy its bond debt
11 obligations, and when that occurs, SB1 2023 provides a “continuing appropriation” from the
12 Nevada State Treasury to replenish the designated fund.

13 57. SB1 2023 requires the Nevada State Treasury to deposit into the designated fund
14 an amount equal to at least 50% of the debt service due on the bonds in the next two years.² *See*
15 SB1 2023 Section 30.5(a). There is a “continuing appropriation” for the Nevada State Treasury
16 to “gather, transfer and deposit . . . unencumbered money . . . in an amount sufficient to replenish
17 the designated fund” from various sources, including the unreserved fund balance in the State
18 General Fund. *See* SB1 2023 Sections 30.5(b) and 30.9.

19 58. By creating a designated fund to pay or assist in payment of the bond debt issued
20 by Clark County, and by mandating the Nevada State Treasury to continually appropriate funds
21 into the designated fund to maintain a required level, SB1 2023 creates a public debt.

22 59. In violation of Article 9, Section 3 of the Nevada Constitution, SB1 2023 failed to
23 levy a new tax and specifically appropriate the proceeds of that tax to repay the public debt
24 created by SB1 2023.

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28 ² References and allegations made herein regarding responsibilities of the Nevada State Treasury are to be construed
as a responsibility of Defendant Zach Conine in his official capacity as the Nevada State Treasurer.

1 DATED this ____ day of February 2024.

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