

ASSEMBLY, No. 2201

STATE OF NEW JERSEY

INTRODUCED JUNE 27, 1996

By Assemblymen KAVANAUGH and BATEMAN

1 AN ACT imposing a tax on sales of certain sports tickets,
2 supplementing Title 54 of the Revised Statutes.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

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7 1. a. There is imposed a tax of \$2.00 on the sale of each ticket to
8 each home game of a professional minor league baseball team franchise
9 playing at a publicly financed facility that is the home stadium of the
10 franchise if the owners and operators of the franchise withhold
11 consent, pursuant to section 2 of this act, for the establishment of any
12 other minor league baseball team franchise at any point outside of a
13 radius of 25 miles of the team's home stadium under any league rule
14 requiring the consent of the owners and operators of the franchise for
15 the establishment of an other minor league team outside that 25 mile
16 radius. The tax imposed pursuant to this section shall be separately
17 stated to purchasers and shall not be included in the receipts subject
18 to the taxes imposed under the "Sales and Use Tax Act," P.L.1966,
19 c.30 (C.54:32B-1 et seq.) or the tax imposed under P.L.1947, c.71
20 (C.40:48-8.15 et seq.).

21 b. All taxes collected pursuant to this act shall be retained by the
22 State Treasurer for deposit in the fund established pursuant to section
23 3 of this act to be used and distributed according to the terms therein
24 provided.

25 c. For the purposes of this section:

26 "Publicly financed" means the acquisition by purchase, lease, or
27 otherwise, and the planning, erection, acquisition, improvement,
28 construction, reconstruction, development, extension, or rehabilitation
29 of any stadium, the acquisition by purchase, lease, or otherwise, and
30 the development of any real or personal property for use in connection
31 with a facility including any rights or interests therein; the
32 procurement of engineering, inspection, planning, legal, financial, or
33 other professional services and the administrative, organizational,
34 operating or other expenses incident to the financing, completing, and
35 placing into service of any facility with the use of land, buildings,
36 improvements, or rights donated or financed by loans or otherwise by
37 the State, a local government unit of this State, or any agency or

1 authority thereof.

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3 2. The consent of the owners and operators of the franchise to the
4 establishment of any other minor league baseball team franchise at any
5 point outside of a radius of 25 miles of the team's home stadium under
6 any league rule shall be established by the filing of a certified copy of
7 a general consent to the establishment of other teams at facilities in
8 this State that are outside of a 25 mile radius of the team's home
9 stadium as filed with the appropriate league authorities under any
10 league rule, with the Office of the Secretary of State, as an addendum
11 to the annual report required pursuant to N.J.S.14A:4-5.

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13 3. There is created a fund to be known as the "County Recreation
14 Activities Fund" to be the repository for all monies paid to the State
15 Treasurer pursuant to this act. The Legislature shall annually
16 appropriate monies in the fund to counties contiguous to a county in
17 which is located a nonconsenting franchise, allocated on the basis of
18 population, for youth recreational programs.

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20 4. a. The Director of the Division of Taxation shall collect and
21 administer any tax imposed pursuant to the provisions of this act. In
22 carrying out the provisions of this act the director shall have all the
23 powers granted in P.L.1966, c.30 (C.54:32B-1 et seq.).

24 b. A vendor of tickets subject to tax pursuant to section 1 of this
25 act shall collect the tax from the purchaser when collecting the charge
26 for the ticket to which it applies, and act shall on or before the dates
27 required pursuant to section 17 of P.L.1966, c.30 (C.54:32B-17),
28 forward to the director the tax collected in the preceding month and
29 make and file a return for the preceding month with the director on
30 any form and containing any information as the Director of the
31 Division of Taxation in the Department of the Treasury shall prescribe
32 by rule or regulation as necessary to determine liability for the tax in
33 the preceding month during which the person was required to collect
34 the tax.

35 c. The director may permit or require returns to be made covering
36 other periods and upon any dates as the director may specify. In
37 addition, the director may require payments of tax liability at any
38 intervals and based upon any classifications as the director may
39 designate. In prescribing any other periods to be covered by the return
40 or intervals or classifications for payment of tax liability, the director
41 may take into account the dollar volume of tax involved as well as the
42 need for ensuring the prompt and orderly collection of the tax
43 imposed.

44 d. The director may require amended returns to be filed within 20
45 days after notice and to contain the information specified in the notice.

46 e. The director shall determine and certify to the State Treasurer

1 on a monthly basis the amount of revenues payable to the fund.

2 f. The tax imposed by this act shall be governed by the provisions
3 of the "State Tax Uniform Procedure Law," R.S.54:48-1 et seq. In
4 carrying out the provisions of this act, the director shall have all the
5 powers granted pursuant to P.L.1966, c.30 (C.54:32B-1 et seq.).

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7 5. This act shall take effect immediately but remain inoperative
8 until the first day of the second month following enactment.

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11 STATEMENT

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13 This bill imposes a \$2.00 per ticket tax on sales of baseball tickets
14 by owners that restrict the ability of other franchises to locate in
15 contiguous counties. Under old minor league baseball rules, owners
16 were able to restrict other franchises from operating within a 25 mile
17 radius of their home fields. New rules, however, effectively allow
18 owners to restrict teams from operating in the entirety of all counties
19 contiguous to their home location.

20 This bill imposes a \$2.00 per ticket tax on the sales of owners who
21 veto teams under the new rules (but not under the old, 25 mile radius,
22 rule). The proceeds from the tax will be distributed to the contiguous
23 counties (the counties that are being deprived of their own teams) to
24 support youth recreational programs.

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29 Imposes \$2 per ticket tax on certain nonconsenting minor league
30 baseball franchises.

WITHDRAWN