

ASSEMBLY, No. 2548

STATE OF NEW JERSEY

INTRODUCED DECEMBER 9, 1996

By Assemblyman KAVANAUGH

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 for any period for which the National Association of  
11 Professional Baseball Leagues (minor league baseball) fails to consent,  
12 pursuant to section 2 of this act, to the establishment of any other  
13 qualifying minor league franchise at any point outside of a radius of  
14 25 miles of the team's home stadium under any league rule requiring  
15 such consent for the establishment of another minor league team  
16 outside that 25 mile radius. The tax imposed pursuant to this section  
17 shall be separately stated to purchasers and shall not be included in the  
18 receipts subject to the taxes imposed under the "Sales and Use Tax  
19 Act," P.L.1966, c.30 (C.54:32B-1 et seq.), or the tax imposed under  
20 P.L.1947, c.71 (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; and

2 "Qualifying minor league franchise" means a minor league franchise  
3 under ownership or a contract to purchase if the owner or purchasing  
4 entity has the right to use a facility that is in compliance with the  
5 physical facility requirements of the National Association of  
6 Professional Baseball Leagues (minor league baseball).

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8 2. A qualifying minor league franchise shall, on or after the date on  
9 which it becomes a qualifying minor league franchise, request by  
10 certified mail the consent of the National Association of Professional  
11 Baseball Leagues (minor league baseball) to its location at a specified  
12 location in this State that is outside a radius of 25 miles of an existing  
13 team's home stadium and shall forward, by certified mail, a copy of  
14 that request to the State Treasurer. The National Association of  
15 Professional Baseball Leagues (minor league baseball) may,  
16 notwithstanding any State law to the contrary, forward, by certified  
17 mail, a copy of its consent, if any, to the location of the qualifying  
18 team directly to the State Treasurer. The period beginning on and  
19 after the 60th day following the State Treasurer's receipt of the request  
20 letter to the National Association of Professional Baseball Leagues  
21 (minor league baseball) and ending on the day of the State Treasurer's  
22 receipt of a copy of the National Association of Professional Baseball  
23 Leagues' (minor league baseball) consent to the location of the  
24 qualifying minor league franchise shall be the "period for which the  
25 National Association of Professional Baseball Leagues (minor league  
26 baseball) fails to consent" for the purposes of section 1 of this act.

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28 3. There is created a fund to be known as the "County Recreation  
29 Activities Fund" to be the repository for all monies paid to the State  
30 Treasurer pursuant to this act. The Legislature shall annually  
31 appropriate monies in the fund to counties contiguous to a county in  
32 which is located an existing franchise, allocated on the basis of  
33 population, for youth recreational programs.

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35 4. a. The Director of the Division of Taxation shall collect and  
36 administer any tax imposed pursuant to the provisions of this act.

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

1 the tax.

2 c. The director may permit or require returns to be made covering  
3 other periods and upon any dates as the director may specify. In  
4 addition, the director may require payments of tax liability at any  
5 intervals and based upon any classifications as the director may  
6 designate. In prescribing any other periods to be covered by the return  
7 or intervals or classifications for payment of tax liability, the director  
8 may take into account the dollar volume of tax involved as well as the  
9 need for ensuring the prompt and orderly collection of the tax  
10 imposed.

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

13 e. The director shall determine and certify to the State Treasurer  
14 on a monthly basis the amount of revenues payable to the fund.

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

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

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#### STATEMENT

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26 This bill will encourage the establishment of minor league baseball  
27 franchises in New Jersey to promote economic development and  
28 recreational opportunities.

29 This bill imposes a \$2.00 per ticket tax on sales of baseball tickets  
30 by the owners of minor league baseball teams that play in publicly  
31 financed stadiums if the National Association of Professional Baseball  
32 Leagues (minor league baseball) restricts the ability of other minor  
33 league baseball franchises to locate outside of a reasonable distance  
34 from an existing team's home stadium. Current minor league baseball  
35 territorial rules allow existing owners to prohibit other teams from  
36 operating at any location in any county that is contiguous to the home  
37 stadium of the team that is already operating. This rule discriminates  
38 against high population density states, such as New Jersey, which have  
39 an adequate population to support a minor league baseball franchise  
40 located in a county contiguous to an existing team.

41 This bill defines a qualifying minor league baseball franchise as a  
42 team that has received permission to use a stadium that is no less than  
43 25 miles from the publicly financed stadium of the existing team.

44 The proceeds from the tax will be distributed to the counties  
45 contiguous to the county of the existing team, to support youth  
46 recreational programs.

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3 Imposes \$2 per ticket tax on certain minor league baseball franchises.