

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2548

STATE OF NEW JERSEY

DATED: FEBRUARY 3, 1997

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2548.

Assembly Bill No. 2548 imposes a \$2.00 per ticket tax on sales of baseball tickets by the owners of minor league baseball teams that play in publicly financed stadiums if the National Association of Professional Baseball Leagues (minor league baseball) restricts the ability of other minor league baseball franchises to locate outside of a reasonable distance from an existing team's home stadium.

Current National Association of Professional Baseball Leagues (minor league baseball) territorial rules allow minor league baseball to veto the location of new teams at any location in any county that is contiguous to the home stadium of a team that is already operating. In a high population density state like New Jersey, which has adequate population, market and infrastructure to support teams that are more closely located than would be feasible in less developed states, this veto power discriminates against economic development and youth activity possibilities.

Under this bill, if the National Association of Professional Baseball Leagues fails to consent to the location of another qualifying minor league team at a stadium that is more than 25 miles away from an existing team's home stadium, a \$2.00 per ticket tax is imposed on sales of baseball tickets by the existing team. The proceeds from the tax will be distributed to the counties contiguous to the county of the existing team (these are the counties where the league rules allow the league to veto the opportunity to establish other teams), to support youth recreational programs.

FISCAL IMPACT:

While several minor league team locations are under consideration in New Jersey, there are currently only two minor league teams playing in New Jersey and only one plays in a publicly financed stadium. If consent for a qualifying team's location at a stadium outside of a 25 mile radius of that team's Trenton home stadium had been formally denied for the entire 1996 baseball season, then based on that team's reported attendance of 437,396, the 1996 liability of that team's owners would have been \$874,792. Under the bill, collections would be deposited to the "County Recreation Activities Fund" for annual

appropriation to the counties contiguous to the county in which the existing franchise is located, allocated on the basis of population, for youth recreational programs. The counties contiguous to Mercer County, in which the only team currently playing in a publicly financed stadium is located, are Hunterdon, Somerset, Monmouth, Middlesex and Burlington.