

SENATE, No. 1384

STATE OF NEW JERSEY

INTRODUCED JUNE 27, 1996

By Senator EWING

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:

6
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
38 authority thereof.

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

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

17
18 4. a. The Director of the Division of Taxation shall collect and
19 administer any tax imposed pursuant to the provisions of this act. In
20 carrying out the provisions of this act the director shall have all the
21 powers granted in P.L.1966, c.30 (C.54:32B-1 et seq.).

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

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

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

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

46 f. The tax imposed by this act shall be governed by the provisions

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

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

8
9 STATEMENT
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11 This bill imposes a \$2.00 per ticket tax on sales of baseball tickets
12 by owners that restrict the ability of other franchises to locate in
13 contiguous counties. Under old minor league baseball rules, owners
14 were able to restrict other franchises from operating within a 25 mile
15 radius of their home fields. New rules, however, effectively allow
16 owners to restrict teams from operating in the entirety of all counties
17 contiguous to their home location.

18 This bill imposes a \$2.00 per ticket tax on the sales of owners who
19 veto teams under the new rules (but not under the old, 25 mile radius,
20 rule). The proceeds from the tax will be distributed to the adjacent
21 counties (the counties that are being deprived of their own teams) to
22 support youth recreational programs.
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25 _____
26
27 Imposes \$2 per ticket tax on certain nonconsenting minor league
28 baseball franchises.