

14102874D

HOUSE BILL NO. 734

Offered January 8, 2014

Prefiled January 7, 2014

A BILL to amend and reenact §§ 15.2-5925 and 15.2-5926 of the Code of Virginia and to amend and reenact the fifth enactment of Chapter 767 of the Acts of Assembly of 2013, relating to Virginia Beach arena.

Patron—O'Quinn

Referred to Committee on Counties, Cities and Towns

Be it enacted by the General Assembly of Virginia:

1. That §§ 15.2-5925 and 15.2-5926 of the Code of Virginia are amended and reenacted as follows:

§ 15.2-5925. (Contingent expiration date) Arena Financing Fund; use.

A. The City of Virginia Beach may, in its discretion, create an Arena Financing Fund, hereafter referred to as "the Fund." The City of Virginia Beach may use the Fund as a nonlapsing revolving fund for carrying out the provisions of this chapter.

B. All of the following receipts of the City of Virginia Beach may be placed in the Fund: (i) proceeds from the sale of bonds, (ii) revenues collected or received from any source under the provisions of this chapter, and (iii) any other revenues under the jurisdiction of the City of Virginia Beach.

C. The City of Virginia Beach may pay expenses and make expenditures from the Fund. To the extent deemed appropriate by the City of Virginia Beach, the receipts of the Fund may be pledged to and charged with the payment of debt service on City of Virginia Beach bonds and all reasonable charges and expenses related to the City borrowing and the management of the City's obligations.

D. If the City of Virginia Beach has contributed infrastructure or real property to a private arena facility owner, the City of Virginia Beach may use the Fund to collect the sales and use tax revenues and remit such revenues to the private facility owner as a contribution toward the cost of the facility.

§ 15.2-5926. (Contingent expiration date) Entitlement to tax revenues derived from the operation of a facility.

A. The City of Virginia Beach shall be entitled, subject to appropriation, to sales and use tax revenues defined in this chapter. The State Comptroller shall remit such tax revenues to the City of Virginia Beach on a quarterly basis, subject to such reasonable processing delays as may be required by the Department of Taxation. The State Comptroller shall make such remittances to the City of Virginia Beach, as provided herein, notwithstanding any provisions to the contrary in the Virginia Retail Sales and Use Tax Act (§ 58.1-600 et seq.).

B. If the City of Virginia Beach has contributed infrastructure or real property to a private arena facility owner, the City of Virginia Beach is entitled to remit the sales and use tax revenues defined in this chapter to the private facility owner. Such entitlement shall continue for the lifetime of the facility.

C. The local governing body of the City of Virginia Beach may, by ordinance or resolution, fix and revise from time to time and charge and collect rates, rents, fees, ticket surcharges, or other charges for a any City-owned facility and any temporary facility developed under the provisions of this chapter.

2. That the fifth enactment of Chapter 767 of the Acts of Assembly of 2013 is amended and reenacted as follows:

5. That if prior to January 1, 2018, (i) the City of Virginia Beach has not executed a lease with a team as defined under § 15.2-5921 as added by this act that is a member of the National Hockey League or the National Basketball Association or, (ii) the City of Virginia Beach or the City of Virginia Beach Development Authority has not issued bonds for an arena as defined under § 15.2-5921 for the purpose of holding conferences and entertainment events, or (iii) the facility is not privately owned and financed, then the provisions of this act shall expire on January 1, 2018. If prior to January 1, 2018, (a) the City of Virginia Beach has executed such a lease or, (b) the City of Virginia Beach or the City of Virginia Beach Development Authority has issued bonds for an arena as defined under § 15.2-5921 for the purpose of holding conferences and entertainment events, or (c) the City of Virginia Beach has contributed infrastructure or real property to a facility that is privately owned and financed, then the provisions of this act shall expire on the earliest of (1) the maturity date of any bonds that were first issued by the City of Virginia Beach or the City of Virginia Beach Development Authority for such arena, excluding any refunding or refinancing of such bonds first issued and excluding any bond anticipation notes issued, or (2) the repayment of all outstanding indebtedness on the facility by a private facility owner, or (3) July 1, 2043.

INTRODUCED

HB734