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HOUSE BILL NO. 2552

Offered January 20, 1997

A BILL to amend and reenact § 15.1-227.84 of the Code of Virginia, relating to entitlement to tax revenues derived from a major league baseball stadium.

Patrons—Callahan and Robinson; Senators: Potts and Saslaw

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That § 15.1-227.84 of the Code of Virginia is amended and reenacted as follows:

§ 15.1-227.84. Entitlement to tax revenues derived from a major or minor league baseball stadium.

A. In connection with the issuance of bonds by the Authority to finance or refinance a major or minor league baseball stadium, the Authority shall be entitled to all sales tax revenues that are generated by transactions taking place upon the premises of the major or minor league baseball stadium. Such entitlement shall continue for the lifetime of such bonds, but that entitlement shall not exceed thirty years. Sales tax revenues may be applied to repayment of the bonds, stadium operating expenses, master lease rental payments by the Commonwealth, capital expenditures and other purposes of the Authority. The State Comptroller shall remit such sales tax revenues to the Authority on a quarterly basis, subject to such reasonable processing delays as may be required by the Department of Taxation to calculate the actual net sales tax revenues generated by transactions taking place upon the premises of the major or minor league baseball stadium. The State Comptroller shall make such remittances to the Authority, as provided herein, notwithstanding any provisions to the contrary in the Virginia Retail Sales and Use Tax Act (§ 58.1-600 et seq.).

B. In connection with the issuance of bonds by the Authority to finance or refinance a major or minor league baseball stadium, the local governing body of the county or city in which the stadium is located may direct, by ordinance or resolution, that all local sales and use tax revenues generated by transactions taking place upon the premises of the major or minor league stadium from taxes levied pursuant to §§ 58.1-605 and 58.1-606 shall be remitted by the State Comptroller to the Authority for the repayment of bonds, stadium operating expenses, master lease rental payments by the Commonwealth, capital expenditures and other purposes of the Authority. Such remittances shall be for the same period and under the same conditions as remittances to the Authority paid in accordance with subsection A, mutatis mutandis.

C. In connection with the issuance of bonds by the Authority to finance or refinance a major or minor league baseball stadium, the local governing body of the county, city or town in which the stadium is located may direct, by ordinance or resolution, that all admissions tax revenues of such county or city generated by admissions to the major or minor league stadium from taxes levied pursuant to §§ 58.1-3818 and 58.1-3840 shall be remitted to the Authority for the repayment of bonds, stadium operating expenses, master lease rental payments by the Commonwealth, capital expenditures and other purposes of the Authority. Any levy pursuant to this section may be for the lifetime of such bonds, but such levy shall not exceed thirty years. *In addition to such admissions tax, the local governing body of the county, city or town in which the stadium is located may levy, by ordinance or resolution, an admissions surcharge not to exceed two percent of the amount charged for admission on the sale of all tickets sold at the major or minor league baseball stadium to be paid to the Authority and shall direct that the Authority shall reimburse the locality for actual day-of-event expenses incurred by the locality in connection with the operations of the major or minor league baseball stadium up to the amount of the surcharge and the difference, if any, shall be retained by the Authority (i) for the repayment of bonds, (ii) to pay stadium operating expenses, (iii) to reimburse master lease rentals paid by the Commonwealth, (iv) to finance capital expenditures, and (v) for such other purposes as the Authority deems appropriate for the major or minor league baseball stadium.*

D. In connection with the issuance of bonds by the Authority to finance or refinance a major or minor league baseball stadium, the Authority shall be entitled to all personal income, franchise, business, professional and occupational licensing, and corporate taxes collected by the Commonwealth and the locality in which the major or minor league baseball stadium is located, on transactions, salaries and personal income and team operations, including without limitation, the wages, salaries and personal income generated in connection with the construction of the major or minor league baseball stadium. Such entitlement shall continue for so long as any bonds issued to finance or refinance a major or minor league baseball stadium remaining outstanding; however, such period shall not exceed thirty years. *The revenue derived from the provisions of this subsection shall be applied (i) to the repayment*

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60 of bonds, (ii) to pay stadium operating expenses, (iii) to reimburse master lease rentals paid by the
61 Commonwealth, (iv) to finance capital expenditures, and (v) for such other purposes as the Authority
62 deems appropriate for the major or minor league baseball stadium. The State Comptroller shall remit
63 all such state tax revenues to the Authority for the same period and under the same conditions as
64 remittances to the Authority under subsection A, mutatis mutandis. The locality in which the major or
65 minor league baseball stadium is located shall direct, by ordinance or resolution, that all business,
66 professional and occupational licensing revenues generated on the premises of the major or minor
67 league baseball stadium shall be remitted to the Authority (i) to pay the principal, interest, and
68 premium, if any, on any bonds issued pursuant to this article as such bonds become due or in advance,
69 (ii) to pay stadium operating expenses, (iii) to reimburse master lease rentals paid by the
70 Commonwealth, (iv) to finance capital expenditures, and (v) for other such other purposes as the
71 Authority deems appropriate for the major or minor league baseball stadium.
72 **2. That the provisions of this section shall expire on January 1, 2002, if the Virginia Baseball**
73 **Stadium Authority has not executed a lease with a baseball team.**