

TEXT OF PROPOSED ORDINANCE PROPOSITION F

ORDERING SUBMISSION TO THE VOTERS OF AN ORDINANCE APPROVING THE CONTINUED IMPOSITION OF THE STADIUM OPERATOR ADMISSION TAX AND THE TEMPORARY ADMISSION TAX ON STADIUM ADMISSIONS, AUTHORIZING THE ESTABLISHMENT OF A SUPPLEMENTAL STADIUM ADMISSION TAX UPON EXPIRATION OF THE TEMPORARY ADMISSION TAX AND MAKING MISCELLANEOUS TECHNICAL CORRECTIONS TO ARTICLE 11 OF PART III OF THE SAN FRANCISCO MUNICIPAL CODE GOVERNING STADIUM ADMISSION TAXES.

The Board of Supervisors hereby orders submitted to the qualified electors of the City and County of San Francisco, at an election to be held therein on November 3, 1998, an ordinance, submitted by the Board of Supervisors, approving the continued imposition of the stadium operator admission tax and temporary admission tax authorized under Article 11 of Part III of the San Francisco Municipal Code, and establishing a supplemental admission tax to take effect upon expiration of the temporary admission tax. The ordinance also amends Article 11 to implement these revisions and makes miscellaneous technical changes. The new ordinance shall read as follows:

[Stadium Operator Admission Tax]

APPROVING THE CONTINUED IMPOSITION OF THE STADIUM OPERATOR ADMISSION TAX AND THE TEMPORARY ADMISSION TAX AUTHORIZED BY ARTICLE 11 OF PART III OF THE SAN FRANCISCO MUNICIPAL CODE, AND AMENDING THAT ARTICLE BY AMENDING SECTIONS 801, 802A, 805, 807 AND 841 TO CONTINUE IMPOSITION OF STADIUM OPERATOR ADMISSION TAX, ESTABLISHING A SUPPLEMENTAL ADMISSIONS TAX IN LIEU OF THE TEMPORARY ADMISSION TAX, AND MAKING MISCELLANEOUS TECHNICAL CORRECTIONS.

Note: Additions are underlined; deletions are in ((double parentheses)).

Be it ordained by the People of the City and County of San Francisco:

Section 1. FINDINGS. The People of the City and County of San Francisco hereby find and declare as follows:

A. Section 802 of Article 11 of Part III of the San Francisco Municipal Code (the Stadium Operator Admission Tax) imposes a tax on operators of athletic contests and other special events at any stadium located in the City and

County of San Francisco. Section 802A of Article 11 imposes an additional temporary tax on such operators. These taxes are imposed on the operator based upon the number of tickets sold by the operator.

B. Revenues from the stadium operator admission tax under section 802 must be used for administration of Article 11, refunds of any overpayments of the tax, or for base rental and additional base rental pursuant to a lease and supplemental amended lease between the City and County and San Francisco Stadium, Inc. for improvements and expansion at Candlestick Park. These leases expire on or about March 1, 2000. After the expiration of these agreements, the City will no longer be authorized to impose the stadium operator admission tax.

C. Revenues from the temporary tax under section 802A are required to be deposited in the City's General Fund. In 1995, the Board of Supervisors amended section 802A to extend the expiration of the temporary tax for professional baseball and football tickets from the end of the 1995 season until the end of the 2000 season, and for all other tickets, from June 30, 1995 until June 30, 2000.

D. Without voter approval, the following three things will occur:

(1) As a result of Article XIII C of the California Constitution, the authority of the City to impose the temporary admissions tax will expire on November 6, 1998;

(2) By the terms of the ordinance establishing the temporary admission tax, the authority of the City to impose the tax for professional baseball and football games will expire at the end of the 2000 seasons for those sports, and on June 30, 2000 for all other events; and

(3) By the terms of the law establishing the stadium operator admission tax, the City's authority to collect the tax will expire on or about March 1, 2000, at the expiration of the leases between the City and San Francisco Stadium, Inc.

E. The People of the City and County of San Francisco desire to continue the authority of the City and County to collect the stadium operator admission tax authorized under section 802 after the expiration of the lease and supplemental amended lease due to expire on or about March 1, 2000. In addition, the People of the City and County of San Francisco desire to continue the authority of the City and County of San Francisco to collect the "temporary" stadium admission tax authorized by section 802A on a permanent basis.

Section 2. VOTER APPROVAL. The continued imposition and collection of the stadium admission taxes authorized by sections 802 and 802A are hereby approved. The imposition and

collection of a permanent supplemental tax in place of, and at the same rate as, the existing temporary admission tax are likewise approved. This supplemental tax shall become effective upon expiration of the existing temporary admission tax.

Section 3. DESIGNATION OF VOTER APPROVAL. The City Attorney and the Clerk of the Board of Supervisors are directed to ensure that Part III of the San Francisco Municipal Code contains a designation that the taxes addressed by this ordinance have been approved by a majority of the voters of the City and County of San Francisco in accordance with Article XIII C of the California Constitution.

Section 4. Article 11 of Part III of the San Francisco Municipal Code is hereby amended by amending Sections 801, 802A, 804, 807 and 841 to read as follows:

SEC. 801. ADDITIONAL DEFINITIONS. When used in this Article the following terms shall mean or include:

(a) "Admission Ticket." The term "Admission Ticket" shall mean any charge for the right or privilege to enter and occupy a seat or space in a stadium for each event.

(b) "Operator." Any person conducting, operating or maintaining athletic contests, exhibitions and other special events within any stadium in the City and County of San Francisco, including but not limited to, the owner or operator of the stadium if other than the City and County, lessee, sublessee, mortgagee in possession, licensee or any other person otherwise operating athletic contests, exhibitions and other special events.

(c) "Stadium." A structure ((open to the sky)) with tiers of seats surrounding a field area where athletic contests, exhibitions and other special events may be presented for which any admission charge may be made.

(d) "Occupy." To use or possess or have the right to use or possess any seat or space for the viewing of athletic contests, exhibitions or other special events.

SEC. 802A. TEMPORARY OR SUPPLEMENTAL ADMISSION TAX. (a) There is hereby imposed a temporary admission tax on any operator of athletic contests, exhibition and other special events based upon the price of each admission ticket sold for the right to occupy a seat or space in any stadium within the City and County of San Francisco for such event. The amount of the temporary admission tax shall be as follows: For tickets priced at \$27 or more (including the admission tax under Section 802), the amount of the temporary admission tax shall be \$0.75 per ticket; for tickets priced at less than \$27 (including the admission tax under Section 802), the amount of the

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temporary tax shall be \$0.25. This temporary admission tax shall be in addition to the admission tax under Section 802.

(b) The exemptions provided in Section 807, Subsections (2) through (5) shall apply to the temporary admission tax imposed by this Section. The exemption provided in Section 807, Subsection (1) shall not apply to the temporary admission tax imposed by this Section.

(c) Notwithstanding anything to the contrary in Section 841, or any other provision of law, all monies collected pursuant to this temporary admission tax shall be deposited in the general fund, and shall not be earmarked for any special purpose whatsoever.

(d) For tickets to professional football games and professional baseball games, this temporary admission tax shall expire after the 2000 season; for all other tickets, this temporary admission tax shall expire June 30, 2000. The temporary admission tax for tickets to professional games for the 1992 season shall be remitted to the City prior to July 1, 1992. The temporary admission tax for tickets to professional games for the 1993 season shall be remitted to the City prior to July 1, 1993. The temporary admission tax for tickets to professional games for the 1994 and 1995 and subsequent seasons shall be remitted to the City according to the provisions of Subsections (a) and (b) of Section 804 herein. The temporary admission tax for all other tickets shall be remitted to the City according to the provisions of Subsection (c) of Section 804 herein.

(e) Notwithstanding Subsection (d), the voters of the City and County of San Francisco hereby approve a supplemental admission tax to be imposed on a permanent basis in accordance with the rates and procedures set forth in Subsections (a)-(c) pertaining to the temporary admission tax. The City and County shall impose this tax immediately upon expiration of the authority to collect the temporary admission tax as set forth in Subsection (d). The supplemental admission tax for tickets to professional games for subsequent seasons shall be remitted to the City according to the provisions of Subsections (a) and (b) of Section 804 herein. The supplemental admission tax for all other tickets shall be remitted to the City according to the provisions of Subsection (c) of Section 804 herein. Under no circumstances shall an operator be liable for both the temporary admission tax and the supplemental admission tax on the same ticket.

SEC. 804. COLLECTION OF TAX; CLASSIFICATION OF PERSONS COLLECTING. (a) Regularly Scheduled Professional Games. Any operator of a major league professional baseball or football club which uses and occupies a stadium ((owned by)) in the City and County for a regular schedule of games as set forth in annual schedules established in each

calendar year for professional baseball or football games (including preseason, regular and championship schedules) shall within five days after the first day of each calendar month following the start of such schedule of games pay the tax due together with a return to the Tax Collector at his office, provided that any portion of any tax which is collected pursuant to Section 802 herein and which exceeds \$0.50 per ticket shall be paid either monthly or annually, at the option of the club. If paid annually, payment shall be due on or before February 1st of each year for the sale of admission tickets for games played during the previous 12 months.

(b) **Season Tickets for Professional Games.** Taxes imposed on the sale of season admission tickets or subscriptions for the 1971 baseball or football seasons, whether sold in 1970 or 1971, shall be due and payable within five days after the first day of the calendar month following the month wherein such tickets or subscriptions are sold.

From and after the 1971 baseball or football seasons, taxes imposed on the sale of season tickets or subscriptions shall be due and payable within five days after the first day of the calendar month following the month wherein such tickets or subscriptions are sold, provided that any portion of any tax which is collected pursuant to Section 802 herein and which exceeds \$0.50 per ticket shall be paid either monthly or annually, at the option of the club. If paid annually, payment shall be due on or before February 1st of each year for the sale of admission tickets for games played during the previous 12 months.

(c) Any person who operates an occasional athletic contest, a special event or exhibition within any stadium shall within five days after the completion of the scheduled event pay the proceeds of the tax to the Tax Collector.

SEC. 805. EXEMPTION FROM PERMIT AND BOND REQUIREMENT. Operators of athletic teams who:

(1) Have leases from the ((Commission)) City and County for the right to exhibit athletic contests for a period longer than five years shall be deemed to be registered as an operator and shall be exempt from the provisions of Section 808 hereof; and

(2) Operators or sponsors of all-star charity athletic contests where the entire proceeds go to charity shall also be exempt.

SEC. 807. ADDITIONAL EXEMPTIONS.

(a) No tax shall be imposed (1) on the receipts from admission tickets sold at two dollars and one cent (\$2.01) or less; this exemption shall apply only to the first 42,500 paid admissions to any single event; (2) when a stadium is used by athletic teams sponsored by the San Francisco Unified School District or by the San Francisco Community College District; (3) when a stadium

is used by nonprofit elementary or secondary schools, attendance at which satisfies the requirements of the compulsory education laws of the State of California; (4) when a stadium is used by an operator or sponsor of charity athletic contests or other special benefit entertainment events no part of the net earnings of which inures to the benefit of any private shareholder or individual and the assets of said operating or sponsoring organization are irrevocably dedicated to tax-exempt purposes; and (5) any recreation field operated by the ((Recreation and Park Commission)) City and County where athletic contests, exhibitions or special events may be presented and which may contain a seating arrangement adjacent to one portion of said field containing not more than 5,000 permanent seats.

(b) Notwithstanding Sections 802 and 802A herein, the total stadium operator admission tax imposed under this Article shall be limited to \$0.25 per ticket for admission to any professional baseball game at the stadium to be located at China Basin, and known as Pacific Bell Park, for the initial term of the Ground Lease dated November 26, 1997 between the City and County of San Francisco, acting through its Port Commission as landlord, and the China Basin Ballpark Company LLC, as tenant.

SEC. 841. STADIUM OPERATOR ADMISSION TAX FUND. The Tax Collector shall transmit all monies collected pursuant to this Article to the Treasurer for deposit to the credit of a special fund to be known as the "Stadium Operator Admission Tax Fund." Said fund shall be used solely for the following purposes:

(1) Administration of the provisions of this Article, cost of which shall not exceed two percent of the total amount collected;

(2) Refunds of any overpayments of the tax imposed hereunder;

(3) Effective July 1, 1971, appropriating funds for base rental and additional base rental as provided for in the Amended Park Lease and Supplemental Amended Park Lease between City and County and San Francisco Stadium, Inc., for the Improvement and Expansion of the Recreation Center located at Candlestick Park((.)) ;

(4) Once all monies due in accordance with Subsection (3) have been paid, all monies collected pursuant to this Article shall be deposited in the General Fund and subject

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to the budgetary and fiscal provisions of the Charter, may be expended for any lawful City purpose.