

CHAPTER 1098

SALES TAX REBATE — BASEBALL AND SOFTBALL TOURNAMENT FACILITY AND MOVIE SITE

S.F. 2329

AN ACT relating to the rebate of state sales tax to the owner or operator of a baseball and softball tournament facility and movie site.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. FINDINGS. The general assembly finds that a baseball and softball tournament facility and movie site in Iowa would result in a substantial economic benefit to the state and would offer thousands of competitors and visitors the opportunity to experience and discover Iowa.

The general assembly further finds that the development of the baseball and softball tournament facility and movie site, including a year-round training facility, would enhance the economic development of the area through an increase in tourism.

The general assembly further finds that the rebate of state sales tax collected at the baseball and softball tournament facility and movie site to assist in the development of such facility and complex would further tourism and is a public purpose for which state funds may be used.

The general assembly further finds that the rebate of state sales tax to the baseball and softball tournament facility and movie site should be considered a program to be used as a means to increase tourism into the state.

Sec. 2. Section 423.2, subsection 11, Code Supplement 2011, is amended to read as follows:

11. a. (1) All revenues arising under the operation of the provisions of this section shall be deposited into the general fund of the state.

(2) Subsequent to the deposit into the general fund of the state, the director shall credit an amount equal to the product of the sales tax rate imposed in this section times the sales price of the tangible personal property or services furnished to purchasers at a baseball and softball tournament facility and movie site meeting the qualifications of section 423.4, subsection 10, into the baseball and softball tournament facility and movie site sales tax rebate fund created under section 423.4, subsection 10, paragraph "e". The director shall credit the moneys beginning the first day of the quarter following the effective date of this Act. This subparagraph is repealed June 30, 2024, or thirty days following the date on which sixteen million five hundred thousand dollars in total rebates have been provided under section 423.4, subsection 10, or thirty days following the date on which rebates cease as provided in section 423.4, subsection 10, paragraph "c", subparagraph (4), whichever is earliest.

b. Subsequent to the deposit into the general fund of the state and after the transfer of such pursuant to paragraph "a", the department shall do the following in the order prescribed:

(1) Transfer the revenues collected under chapter 423B, the department shall transfer.

(2) Transfer from the remaining revenues the amounts required under Article VII, section 10, of the Constitution of the State of Iowa to the natural resources and outdoor recreation trust fund created in section 461.31, if applicable.

(3) Transfer one-sixth of such the remaining revenues to the secure an advanced vision for education fund created in section 423F.2. This paragraph subparagraph (3) is repealed December 31, 2029.

(4) Transfer to the baseball and softball tournament facility and movie site sales tax rebate fund that portion of the sales tax receipts described in paragraph "a", subparagraph (2), remaining after the transfers required under subparagraphs (1), (2), and (3) of this paragraph "b". This subparagraph is repealed June 30, 2024, or thirty days following the date on which sixteen million five hundred thousand dollars in total rebates have been provided under section 423.4, subsection 10, or thirty days following the date on which

rebates cease as provided in section 423.4, subsection 10, paragraph “c”, subparagraph (4), whichever is earliest.

Sec. 3. Section 423.4, Code Supplement 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 10. a. For purposes of this subsection:

(1) “*Baseball and softball tournament facility and movie site*” means a baseball and softball tournament complex and tourist destination, which facility is located on a maximum of two hundred seventy-nine acres, located inside or within three miles of the city limits of a city with a population of at least four thousand but not more than five thousand five hundred residents, which city is located in a county with a population of at least ninety-three thousand but not more than one hundred thousand residents and where the construction on the baseball and softball tournament facility commenced not later than one year following the enactment of this Act, and the cost of the construction upon completion was at least thirty-eight million dollars.

(2) “*Change of control*” means any of the following:

(a) Any change in the ownership of the original or any subsequent legal entity that is the owner or operator of the baseball and softball tournament facility and movie site such that more than fifty-one percent of the equity interests in the legal entity cease to be owned by individuals who are residents of Iowa, an Iowa corporation, or combination of both.

(b) The original owners of the legal entity that is the owner or operator of the baseball and softball tournament facility and movie site shall collectively cease to own more than fifty percent of the voting equity interests of such legal entity or shall otherwise cease to have effective control of such legal entity.

(3) “*Iowa corporation*” means a corporation incorporated under the laws of Iowa where more than fifty-one percent of the corporation’s equity interests are owned by individuals who are residents of Iowa.

(4) “*Owner or operator*” means a for-profit legal entity where more than fifty-one percent of its equity interests are owned by individuals who are residents of Iowa, an Iowa corporation, or combination of both and that is the owner or operator of a baseball and softball tournament facility and movie site and is primarily a promoter of baseball and softball tournaments.

(5) “*Population*” means the population based upon the 2010 certified federal census.

b. The owner or operator of a baseball and softball tournament facility and movie site may apply to the department for a rebate of sales tax imposed and collected by retailers upon sales of any goods, wares, merchandise, admission tickets, or services furnished to purchasers at the baseball and softball tournament facility and movie site.

c. The rebate may be obtained only in the following amounts and manner and only under the following conditions:

(1) On forms furnished by the department within the time period provided by the department by rule, which time period shall not be longer than quarterly.

(2) The owner or operator shall provide information as deemed necessary by the department.

(3) The transactions for which sales tax was collected and the rebate is sought occurred on or after January 1, 2014, but before January 1, 2024. However, not more than sixteen million five hundred thousand dollars in total rebates shall be provided pursuant to this subsection.

(4) Notwithstanding subparagraph (3), the rebate of sales tax shall cease for transactions occurring on or after the date of the change of control of the baseball and softball tournament facility and movie site.

d. To assist the department in determining the amount of the rebate, the owner or operator shall identify to the department retailers located at the baseball and softball tournament facility and movie site who will be collecting sales tax. The department shall verify such identity and ensure that all proper permits have been issued. For purposes of this subsection, advance ticket and admissions sales shall be considered occurring at the baseball and softball tournament facility and movie site regardless of where the transactions actually occur.

e. There is established within the state treasury under the control of the department a baseball and softball tournament facility and movie site sales tax rebate fund consisting of

the amount of state sales tax revenues transferred pursuant to section 423.2, subsection 11, paragraph "b", subparagraph (4). An account is created within the fund for each baseball and softball tournament facility and movie site meeting the qualifications of this subsection. Moneys in the fund shall only be used to provide rebates of state sales tax pursuant to this subsection, and only the state sales tax revenues in the baseball and softball tournament facility and movie site rebate fund are subject to rebate under this subsection. Not more than sixteen million five hundred thousand dollars in total rebates shall be paid from the fund. Any moneys in the fund which represent state sales tax revenue for which the time period in paragraph "c" for receiving a rebate has expired, or which otherwise represent state sales tax revenue that has become ineligible for rebate pursuant to this subsection, shall immediately revert to the general fund of this state.

f. Upon determining that the conditions and requirements of this subsection and the department are met, the department shall issue a warrant from the applicable account within the baseball and softball tournament facility and movie site rebate fund to the owner or operator in the amount equal to the amount claimed and verified by the department.

g. This subsection is repealed June 30, 2024, or thirty days following the date on which sixteen million five hundred thousand dollars in total rebates have been provided, or thirty days following the date on which rebates cease as provided in paragraph "c", subparagraph (4), whichever is the earliest.

Approved April 19, 2012