

**ORDINANCE NO. BL2009- 545**

**An ordinance amending Title 5 of the Metropolitan Code of Laws to authorize a privilege tax on the sale of tickets to events at the municipal stadium.**

WHEREAS, T.C.A. § 7-3-202, originally adopted in Public Chapter 491 of the Public Acts of 1977, authorizes a metropolitan government to impose a privilege tax on the sale of tickets to events in a municipal stadium; and

WHEREAS, the Metropolitan Council approved Public Chapter 491 by adopting an ordinance by a greater than 2/3 vote on November 15, 1977, Bill No. 77-711; and

WHEREAS, the Metropolitan Government of Nashville and Davidson County (Metropolitan Government) completed construction of the stadium now called L.P. Field in 1999 and it meets the definition of a municipal stadium provided in T.C.A. §7-3-202; and

WHEREAS, the Metropolitan Government desires to impose the privilege tax upon the privilege of attending an event at L.P. Field; and

WHEREAS, the Metropolitan Government will use the privilege tax:

- a. to defray the costs of constructing, operating, renovating, expanding or improving L.P. Field or
- b. for the payment of debt service on bonds or other indebtedness issued by the Metropolitan Government or the Sports Authority of the Metropolitan Government of Nashville and Davidson County (Sports Authority) for the construction, operation, renovation, expansion or improvement of the municipal stadium; and

WHEREAS, it is in the best interests of the citizens of Nashville and Davidson County that this privilege tax be approved.

**NOW, THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:**

SECTION 1. That Title 5 of the Metropolitan Code is amended by adding a new Chapter 5.14 that provides for the imposition, collection, and disposition of a privilege tax on the sale of tickets to events at a municipal stadium, which shall state:

**Section 5.14.010 Definitions.** As used in this Chapter, unless the context otherwise requires:

“Event” means any activity with a paid admission fee that takes place primarily on or directly above the playing surface at the municipal stadium.

“Metropolitan government” means the Metropolitan Government of Nashville and Davidson County.

“Municipal stadium” means a structure:

1. With seats for not less than thirty thousand (30,000) spectators;
2. Constructed after July 7, 1977;
3. Used primarily for sporting events and other related activities; and
4. Currently financed or was financed by general obligation bonds, revenue bonds or other indebtedness issued by the Metropolitan Government or the Sports Authority.

“Primary tenant” means the Lessee of the municipal stadium from the Metropolitan Government or the Sports Authority.

“Promoter” means any person, and any agent or representative of such person, engaged in the sale or offering for sale of tickets to an event.

“Sports Authority” means the Sports Authority of the Metropolitan Government of Nashville and Davidson County.

“Tax” means the tax levied in this Chapter.

**Section 5.14.020 Tax Imposed.**

A. There is levied a privilege tax upon the privilege of attending any event at the municipal stadium. The amount shall be as follows:

1. Effective from June 14, 2010, through December 31, 2020, an amount of \$2.00.
2. To the extent the tax exceeds 10% of the consideration charged for a ticket, the tax will be limited to 10% of the ticket price.

B. The tax shall not be at a rate or in an amount that would create a reimbursement obligation to the primary tenant of the municipal stadium under a lease existing on January 1, 2009, so long as such lease is in effect.

C. The tax shall apply to the first, initial, or original sale of tickets.

D. The tax shall be in addition to all other taxes or fees levied or authorized to be levied on the sale of any event ticket, whether in the form of excise, license, or privilege taxes and shall be in addition to all other fees and taxes now levied or authorized to be levied. In accordance with T.C.A. § 7-3-202, the tax shall not be subject to state or local option taxes under Title 67, Chapter 6.

E. Exemptions. The tax shall not apply to:

1. An event at a municipal stadium for the benefit of a public college or university where the public college or university utilizes the municipal stadium for a majority of its home football games in a particular season;

2. Non-ticketed or complimentary admissions credentials;

3. Re-sales or redistributions of tickets.

4. Tickets for which no monetary consideration is received to the extent the number of such tickets does not exceed the lesser of:

a. Five percent (5%) of the total number of tickets offered for sale to the event, or

b. 3,250.

#### **Section 5.14.030 Collection.**

A. The tax shall be added to the ticket price charged for admission to the municipal stadium by each promoter of the event. The promoter shall collect the privilege tax and remit it to the metropolitan government.

B. The tax shall be remitted to the Metropolitan Finance Department by all promoters not later than the twentieth day of each month next following collection from the purchaser. The promoter is required to collect the tax from the purchaser at the time the ticket is purchased; the obligation to the metropolitan government shall be that of the promoter.

C. The promoter may deduct up to two percent (2 %) of the tax collected by the promoter to defray cost of accounting and remitting the tax to the Metropolitan Government. The compensation will be in the form of a deduction in submitting the amount due from the promoter. No compensation will be due the promoter if the amount due was delinquent at the time of payment.

D. The Metropolitan Finance Department will prescribe the form of the reports and other information necessary for administration of this Chapter. The promoter will keep all records necessary to determine the amount of the tax for a period of three years. The Metropolitan Government will have the right to inspect the records at all reasonable times.

E. Taxes collected by a promoter that are not remitted by the due dates are delinquent. A promoter shall be liable for interest on such delinquent taxes from the due date at the rate of eight percent per year, and in addition, a penalty of one percent for each month or fraction thereof such taxes are delinquent. The interest and penalty shall become a part of the tax required in this chapter to be remitted.

F. In administering and enforcing the provisions of this chapter the Metropolitan Finance Department shall be authorized to adopt all necessary rules and regulations to assist in administering collection of the tax. The Metropolitan Finance Department shall have, as additional powers, those powers and duties with respect to collection of taxes provided in Tennessee Code Annotated or otherwise provided by law.

#### **Section 5.14.040 Distribution Proceeds.**

The proceeds from the privilege tax authorized by this section and received by the metropolitan government shall be deposited in the Metropolitan Government's general fund and used by the Metropolitan Government exclusively:

1. to defray the cost of constructing, operating, renovating, expanding, or improving the municipal stadium or
2. for the payment of debt service on bonds or other indebtedness issued by the Metropolitan Government or the Sports Authority for the construction, operation, renovation, expansion, or improvement of the municipal stadium.

#### **5.14.050 Intent of Provisions.**

It is the intention of the metropolitan council that this chapter shall be construed liberally to carry out the intent of such articles, which is to levy throughout the general services district a privilege tax which by general law may be levied by counties.

SECTION 2. This Ordinance shall take effect from and after its passage by a two-thirds vote, the welfare of The Metropolitan Government of Nashville and Davidson County requiring it.

INTRODUCED BY:

*Eric White*

*Ronnie Stee*

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Council Member(s)

APPROVED AS TO AVAILABILITY  
OF FUNDS:

*Richard M. Kelly*

Director of Finance

APPROVED AS TO FORM AND  
LEGALITY:

*John M. [Signature]*

Metropolitan Attorney

ORIGINAL

*METROPOLITAN COUNTY COUNCIL*

Bill No. BL2009-545

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FILED  
METROPOLITAN  
CLERK

An ordinance amending Title 5 of the Metropolitan Code of Laws to authorize a privilege tax on the sale of tickets to events at the municipal stadium.

*Introduced* OCT 6 2009

*Passed First Reading* OCT 6 2009

*Amended* \_\_\_\_\_

*Passed Second Reading* OCT 20 2009

*Passed Third Reading* NOV 17 2009

*Approved* NOV 19 2009

By [Signature]  
*Metropolitan Mayor*

*Advertised* \_\_\_\_\_

*Effective Date* \_\_\_\_\_