



ARIZONA STATE SENATE
Fifty-Second Legislature, Second Regular Session

AMENDED

FACT SHEET FOR H.B. 2495

sporting event tax revenue; tourism

Purpose

Appropriates \$1.5 million annually through FY 2051 to the Office of Tourism for promotion of Phoenix International Raceway (PIR) if certain conditions are met.

Background

The Office of Tourism (Office) is responsible for promoting tourism within the state, which includes planning and developing an information campaign, advertising, exhibitions and operating a visitors' center. The Office receives funding from three primary sources: 1) a state General Fund appropriation to fund the agency's operating budget; 2) a transfer from the Arizona Sports and Tourism Authority (AZSTA), generated from partial allocations of a bed tax and car rental tax in Maricopa County, to fund Maricopa County tourism promotion; and 3) a portion of tribal gaming contributions to fund statewide tourism promotion.

Phoenix International Raceway (PIR) is a 1.022 mile, low-banked tri-oval race track located in Avondale, Arizona. The motorsport track opened in 1964 and currently hosts two NASCAR race weekends annually. The raceway was originally constructed with a 2.5 mile road course that ran on both the inside and the outside of the main tri-oval. PIR has an estimated grandstand seating capacity of around 67,000. Lights were installed around the track in 2004 following the addition of a second annual NASCAR race weekend.

The annual fiscal impact to the state General Fund is the amount of the appropriation.

Provisions

1. Requires the State Treasurer, beginning July 1, 2021, to pay \$1.5 million per fiscal year, in 12 equal monthly installments, to the Office of Tourism, if the special sporting event project cost incurred from and after December 31, 2016, is at least \$100 million.
2. Requires the Office of Tourism to use the monies to promote and market a special sporting event at a host facility and deposit those monies in a separate fund.
3. Requires the Office of Tourism, on or before October 1 of each year, to report to the Joint Legislative Budget Committee (JLBC) the amounts and purposes of all expenditures made in the previous fiscal year.

4. Requires the host facility to report to JLBC and the Governor's Office of Strategic Planning and Budgeting that it has incurred the required special sporting event project cost on or before December 31, 2020.
5. Requires JLBC to certify the expenditures reported by the host facility.
6. Appropriates \$1.5 million annually from the state General Fund to the State Treasurer, beginning in FY 2022 and ending in FY 2051, if the spending and reporting requirements are met.
7. Defines *host facility* as a complex facility in this state that has fixed seating, that requires a ticket for admission for viewing a sporting event and that was chosen to host a special sporting event by a site selection organization through a competitive selection process that included consideration of at least one facility that is not located in this state.
8. Defines *special sporting event* as a sporting event that is sanctioned by a nationally recognized premier national auto racing series governing body that establishes an annual schedule of sporting events and grants rights to conduct the events, that has established and administers rules and regulations governing all participants involved in the events and all persons conducting the events and that requires certain liability assurances, including insurance.
9. Defines *special sporting event project* means the acquisition of land subject to property tax in this state to construct a host facility for a special sporting event, or the construction, reconstruction, improvement or renovation of improvements to land subject to property tax in this state of a host facility for a special sporting event.
10. Defines *special sporting event project cost* as the monies spent beginning in 2017 by the owner of the host facility on the special sporting event project.
11. Contains technical and conforming changes.
12. Becomes effective on the general effective date.

Amendments Adopted by Committee of the Whole

- Removes provisions regarding payment of monies from the TPT distribution base, appropriates monies from the state General Fund, and provides reporting requirements.

House Action

Senate Action

TI	2/9/16	DPA	9-0-0	TRANS	3/8/16	DP	6-0-2
3 rd Read	2/25/16		35-25	APPROP	3/8/16	DP	5-3

Prepared by Senate Research

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CS/rf