developers. Second, the bill retains the present-law maturity limitations applicable to bonds for section 501(c)(3) organizations, and the public approval requirements applicable generally to private activity bonds. Third, the bill continues to apply the penalties on changes in use of tax-exempt-bond-financed section 501(c)(3) organization property to a use not qualified for such financing.

Finally, the bill makes no amendments, other than technical conforming amendments, to the tax-exempt arbitrage restrictions, the alternative minimum tax tax-exempt bond preference, or the provisions generally disallowing interest paid by banks on monies used to acquire or carry tax-exempt bonds.

EFFECTIVE DATE

The provision is generally effective with respect to bonds issued and to capital expenditures made after the date of enactment. The provision does not apply to bonds issued prior to January 1, 1997 for the purposes of applying the rebate requirements under Section 148(f)(4)(D).

S. 1880

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Stop Tax-Exempt Arena Debt Issuance Act''.

SEC. 2. TREATMENT OF TAX-EXEMPT FINANCING OF PROFESSIONAL SPORTS FACILITIES.

(a) IN GENERAL.—Section 141 of the Internal Revenue Code of 1986 (defining private activity bond and qualified bond) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

''(e) CERTAIN ISSUES USED FOR PROFESSIONAL SPORTS FACILITIES TREATED AS PRIVATE ACTIVITY BONDS.—

''(1) IN GENERAL.—For purposes of this title, the term 'private activity bond' includes any bond issued as part of an issue if the amount of the proceeds of the issue which are to be used (directly or indirectly) to provide professional sports facilities exceeds the lesser of—

''(A) 5 percent of such proceeds, or

''(B) $5,000,000.

''(2) BOND NOT TREATED AS A QUALIFIED BOND.—For purposes of this title, any bond described in paragraph (1) shall not be a qualified bond.

''(3) PROFESSIONAL SPORTS FACILITIES.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'professional sports facilities' means real property or related improvements used for professional sports exhibitions, games, or training, regardless if the admission of the public or press is allowed or paid.

''(B) USE FOR PROFESSIONAL SPORTS.—Any use of facilities which generates a direct or indirect monetary benefit (other than reimbursement for out-of-pocket expenses) for a person who uses such facilities for professional sports exhibitions, games, or training shall be treated as a use described in subparagraph (A).

''(4) ANTI-ABUSE REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this subsection, including such regulations as may be appropriate to prevent avoidance of such purposes through related persons, use of related facilities or multiuse complexes, or otherwise.''

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued on or after June 14, 1996.

THE STOP TAX-EXEMPT ARENA DEBT ISSUANCE ACT

PRESENT LAW

Interest on State and local governmental bonds generally is excluded from income if the bonds are issued to finance direct activities of these governments (sec. 103). Interest on bonds issued by these governments to finance activities of other persons, e.g., private activity bonds, is taxable unless the bonds satisfy certain requirements. Private activity bonds must be within certain statewide volume limitations, must not violate the arbitrage and other applicable restrictions, and must finance activities within one of the categories specified in the Code. The Tax Reform Act of 1986 repealed the private activity bond category for sports facilities; therefore no private activity bonds may be issued for this purpose.

Bonds issued by State and local governments are considered to be government use bonds, unless the bonds are classified as private activity bonds. Bonds are deemed to be private activity bonds if both the (i) private business use test and (ii) private security or payment test are met. The private business use test is met if more than 10 percent of the bond proceeds, including facilities financed with the bond proceeds, is used in a non-governmental trade or business. The private security or payment test is met if more than 10 percent of the bond repayments is secured by privately used property, or is derived from the payments of private business users. Additionally, bonds are deemed to be private activity bonds if more than 5 percent of the bond proceeds or $5 million are used to finance loans to persons other than governmental units.

REASONS FOR CHANGE

The use of tax-exempt financing for professional sports facilities provides an indirect and inefficient federal tax subsidy. Congress intended to eliminate this subsidy for professional sports facilities in the Tax Reform Act of 1986, by repealing the private activity bond category for sports facilities. The use of government bonds to finance the identical underlying private business use is an unintended and improper use of a federal subsidy, and an abuse of the government bond rules. In addition, the use of tax-exempt bonds to finance professional sports facilities is particularly inappropriate where the facilities to be built are used to entice professional sports franchises to relocate.

EXPLANATION OF PROVISION

The bill would provide that bonds issued to finance professional sports facilities are private activity bonds, and that such bonds are not qualified bonds. Therefore, professional sports facilities will not qualify for tax-exempt bond financing.

A professional sports facility is defined to include real property and related improvements which are used for professional sports exhibitions, games, or training, whether or not admission of the public or press is allowed or paid. In addition, a facility that is used for purpose other than professional sports will nevertheless be treated as being used for professional sports if the facility generates a direct or indirect monetary benefit (other than reimbursement for out-of-pocket expenses) for a person who uses the facility for professional sports. These benefits are intended to include an interest in revenues from parking fees, food and beverage sales, advertising and sports facility naming rights, television rights, ticket sales, private suites and club seats, and concessions.

The Secretary of the Treasury is authorized to issue anti-abuse regulations to prevent transactions intended to improperly divert the indirect Federal subsidy for traditional governmental uses inherent in tax-exempt bonds for the benefit of professional sports facilities or professional sports teams. It is intended that no tax-exempt bond proceeds may finance a ball park used for professional sports exhibitions, even if the ball park is made a part of a larger multi-use complex used 365 days a year for other purposes. In addition, it is intended that reciprocal usage of sports facilities by professional sports franchises that divide their usage among several facilities in order to avoid the 5 percent use test be aggregated for purposes of this provision.

No inference is intended regarding the rules under present law regarding the issuance or holding of, or interest paid or accrued on, any bonds issued prior to the effective date of this bill to finance sports facilities.

EFFECTIVE DATE

The provision is effective with respect to bonds issued on or after June 14, 1996.

ADDITIONAL COSPONSORS

S. 1460

At the request of Mrs. BOXER, the name of the Senator from Maryland [Mr. SARBANES] was added as a cosponsor of S. 1460, a bill to amend the Marine Mammal Protection Act of 1972 to support the International Dolphin Conservation Program in the eastern tropical Pacific Ocean, and for other purposes.

S. 1627

At the request of Mr. JOHNSTON, the names of the Senator from Louisiana [Mr. BREAUX], and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of S. 1627, a bill to designate the visitor center at Jean Lafitte National Historical Park in New Orleans, Louisiana as the ''Laura C. Hudson Visitor Center.''

S. 1632

At the request of Mr. LAUTENBERG, the names of the Senator from Hawaii [Mr. AKAKA], and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of S. 1632, a bill to prohibit persons convicted of a crime involving domestic violence from owning or possessing firearms, and for other purposes.

S. 1714

At the request of Mr. BURNS, the name of the Senator from North Carolina [Mr. FAIRCLOTH] was added as a cosponsor of S. 1714, a bill to amend title 49, United States Code, to ensure the ability of utility providers to establish, improve, operate and maintain utility structures, facilities, and equipment for the benefit, safety, and well-being of consumers, by removing limitations on maximum driving and on-duty time pertaining to utility vehicle operators and drivers, and for other purposes.

S. 1844

At the request of Mr. MURKOWSKI, the name of the Senator from Colorado [Mr. CAMPBELL] was added as a cosponsor of S. 1844, a bill to amend the Land and Water Conservation Fund Act to direct a study of the opportunities for enhanced water based recreation and for other purposes.

S. 1854

At the request of Mr. HATCH, the name of the Senator from Florida [Mr. MACK] was added as a cosponsor of S. 1854, a bill to amend Federal criminal law with respect to the prosecution of violent and repeat juvenile offenders and controlled substances, and for other purposes.

S. 1857

At the request of Mr. SMITH, his name was added as a cosponsor of S. 1857, a bill to establish a bipartisan commission on campaign practices and provide that its recommendations be given expedited consideration.

SENATE RESOLUTION 263

At the request of Ms. MOSELEY-BRAUN, the names of the Senator from Massachusetts [Mr. KENNEDY], the Senator from Delaware [Mr. BIDEN], and the Senator from Illinois [Mr. SIMON] were added as cosponsors of Senate Resolution 263, A resolution relating to church burning.

NOTICE OF HEARING

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LUGAR. Mr. President, I would like to announce that the Senate Committee on Agriculture, Nutrition, and Forestry will meet on Wednesday, June 19, 1996, at 9:30 a.m. in SR–328A to mark up the committee's budget reconciliation instructions.

AUTHORITY FOR COMMITTEE TO MEET

SUBCOMMITTEE ON WESTERN HEMISPHERE AND PEACE CORPS AFFAIRS

Mr. MACK. Mr. President, I ask unanimous consent that the Subcommittee on Western Hemisphere and Peace Corps Affairs of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Friday, June 14, 1996, at 1 p.m. to hold a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

PRESIDENT CLINTON'S DECISION ON LANDMINE USE

● Mr. JEFFORDS, Mr. President, earlier this week, President Clinton missed an excellent opportunity to exert U.S. leadership in the worldwide movement to ban landmines. As an original cosponsor of S. 1276, the Landmine Moratorium Extension Act, and having long supported measures to prevent the proliferation of landmines, I regret that the President did not take a stronger stance on banning the use of landmines, but instead equivocated, and again put off the ultimate U.S. goal of eliminating landmines. These weapons effect mainly innocent civilians, and in the case of so-called dumb mines, remain dangerous and threaten civilian populations indefinitely, often long after hostilities in an area have stopped. Such weapons make agriculture dangers, and hence hinder economic reconstruction and development.

For the United States to play the role the President professes to seek, that of leading the world to negotiating an end to the use of landmines, the United States needs to match its rhetoric with actions. It is my hope that the U.S. Government will soon take action to do just that, and move quickly and concretely to rid the world of the scourge of landmines.●

ORDERS FOR TUESDAY, JUNE 18, 1996

Mr. MACK. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 10 a.m. on Tuesday, June 18, and, further, that immediately following the prayer, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day, and the Senate then begin consideration of S. 1745, the Department of Defense authorization bill as under the previous consent agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. MACK. For the information of all Senators, the Senate will begin consideration of the DOD authorization bill on Tuesday. Senators may give opening statements on the bill beginning at 10 a.m.; however, no amendments will be in order prior to 2:15 on Tuesday. Also, the Senate will recess from the hour of 12:30 until 2:15 p.m. for the weekly policy conferences to meet. As a reminder, the Senate will resume debate on the Greenspan nomination on Thursday, June 20, with a vote to occur on the nomination at 2 p.m. on that day.

ADJOURNMENT UNTIL 10 A.M. TUESDAY, JUNE 18, 1996

Mr. MACK. Mr. President, if there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 3:42 p.m., adjourned until Tuesday, June 18, 1996, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate June 14, 1996:

DEPARTMENT OF STATE

A. VERNON WEAVER, OF ARKANSAS, TO BE THE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE EUROPEAN UNION, WITH THE RANK AND STATUS OF AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY.