

The Senate Committee on Interstate Cooperation offered the following substitute to SB 408:

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 50 of the Official Code of Georgia Annotated, relating to state government,
2 so as to create a compact among the states to prohibit public financing of professional
3 stadiums; to authorize the Governor to execute such compact; to provide for a purpose; to
4 provide for an effective date for such compact; to provide for an official state representation;
5 to provide for an agreement to prohibit public funding of professional stadiums; to provide
6 for agreements to withhold state moneys from certain public or private entities if such entities
7 publicly fund a professional stadium; to provide for withdrawal from the compact; to provide
8 a short title; to provide for effective dates; to repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 SECTION 1.

11 Title 50 of the Official Code of Georgia Annotated, relating to state government, is amended
12 by adding a new chapter to read as follows:

13 "CHAPTER 39

14 50-39-1.

15 This chapter shall be known and may be cited as the 'Compact Among the States to
16 Prohibit Public Financing of Professional Stadiums.'

17 50-39-2.

18 'Compact Among the States to Prohibit Public Financing of Professional Stadiums

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PREFACE

20 WHEREAS, taxpayers have been called upon for several decades to subsidize the
21 construction of stadium facilities utilized by for-profit franchises of major American athletic
22 leagues; and

23 WHEREAS, since 1995, taxpayers have shouldered \$7 billion in taxpayer subsidies to
24 stadium facilities for National Football League franchises with additional taxpayer subsidies
25 to build stadium facilities for National Basketball Association franchises, National Hockey
26 League franchises, and Major League Baseball franchises; and

27 WHEREAS, economists have raised significant doubts regarding the benefits offered by the
28 for-profit franchises of major American athletic leagues as justification for taxpayer
29 subsidies; and

30 WHEREAS, advocacy groups have highlighted an increase in relative poverty in
31 municipalities that heavily subsidize stadium facilities; and

32 WHEREAS, the owners of for-profit franchises have engaged in a pattern of municipal
33 extortion, threatening to relocate their teams to cities that will provide them with the greatest
34 taxpayer subsidy; and

35 WHEREAS, the experience of the National Association for Stock Car Auto Racing
36 demonstrates that taxpayer subsidy of professional sports is not necessary to generate a profit
37 and provide jobs and tax revenue; and

38 WHEREAS, state legislatures are in a unique position, as stewards of state monies, to guard
39 taxpayers from extortion attempts by for-profit franchises;

40 THEREFORE, the Governor on behalf of this State is authorized to execute a compact, in
41 substantially the following form, with any states legally joining therein, and the General
42 Assembly signifies in advance its approval and ratification of such compact.

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ARTICLE I

Purpose.

The purpose of this compact is to promote effective use of taxpayer funds by limiting taxpayer subsidy of athletic stadiums and barring any taxpayer subsidy of athletic stadiums for any for-profit athletic franchise that attempts to relocate from a ratified state to another ratified state.

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ARTICLE II

Effective date.

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This compact shall become operative immediately as to those states and districts ratifying it when three-quarters of the following states and districts have ratified it and Congress has given consent thereto:

Arizona; California; Colorado; District of Columbia; Florida; Illinois; Indiana; Louisiana; Maryland; Massachusetts; Michigan; Minnesota; Missouri; New York; North Carolina; Ohio; Oklahoma; Oregon; Pennsylvania; Tennessee; Texas; Utah; Washington; and Wisconsin.

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ARTICLE III

State representatives.

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In each State, the State Treasurer or officer holding the equivalent position responsible for overseeing use of public monies shall act as Compact Administrator for that State and shall consult with like officials of the other member States and shall implement cooperation between such States in implementation and enforcement of this Compact.

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ARTICLE IV

Prohibition of funding for professional stadiums.

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The States ratifying this Compact hold that no state monies will be used or state bonds issued to subsidize the construction, renovation, or relocation of stadium facilities for the National Football League, Major League Baseball, the National Hockey League, or the National Basketball Association, their franchisees, affiliates, heirs, or assignees.

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ARTICLE V

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Agreement to withhold state monies from non-compliant public or private entities.

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The States ratifying this Compact hold that 50 percent of state monies will be withheld, to the extent Constitutionally permissible, from cities, counties, municipalities, or other public or private entities if those entities commit taxpayer funds or issue bonds to fund more than 20 percent of the construction, renovation, or relocation of stadium facilities for the National Football League, Major League Baseball, the National Hockey League, or the National Basketball Association, their franchisees, affiliates, heirs, or assignees.

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ARTICLE VI

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Further agreement to withhold state monies from non-compliant public or private entities.

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The States ratifying this compact hold that 100 percent of state monies will be withheld, to the extent Constitutionally permissible, from cities, counties, municipalities, or other public or private entities, if any such cities, counties, municipalities, or other public or private entities commit any taxpayer funds to the construction, renovation, or relocation of stadium facilities for the National Football League, Major League Baseball, the National Hockey League, or the National Basketball Association, their franchisees, affiliates, heirs, or assignees that relocate from another State that has ratified this Compact.

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ARTICLE VII

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Withdrawal.

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This Compact shall continue in force and remain binding on each State ratifying it until the legislature or the Governor of such State, as the laws of such State shall provide, takes action to withdraw therefrom. Such action shall not be effective until six months after notice thereof has been sent by the chief executive of the State desiring to withdraw to the chief executives of all States then parties to the Compact."

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SECTION 2.

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This Act shall become effective upon approval of this Act by the Governor or upon its becoming law without such approval; however, Code Section 50-39-2, the "Compact Among the States to Prohibit Public Financing of Professional Stadiums," as enacted by Section 1 of this Act shall become effective under the terms of such interstate compact.

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