

# HOUSE BILL No. 1127

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 5-1-19.

**Synopsis:** Interstate compact concerning professional sports. Requires the attorney general to enter into an interstate compact prohibiting public money for professional sports stadiums and venues. Specifies that at least 24 other states must also agree to the compact.

**Effective:** July 1, 2018.

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January 4, 2018, read first time and referred to Statutory Committee on Interstate and International Cooperation.

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Second Regular Session of the 120th General Assembly (2018)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2017 Regular Session of the General Assembly.

# HOUSE BILL No. 1127



A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 5-1-19 IS ADDED TO THE INDIANA CODE AS  
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2018]:  
4 **Chapter 19. Interstate Compact on Prohibiting Public Financing**  
5 **of Professional Sports Stadiums and Venues**  
6 **Sec. 1. ARTICLE I. PURPOSE AND DECLARATION**  
7 **(a) It is the purpose of this chapter to authorize the state to**  
8 **enter into a compact to oppose public funding of professional**  
9 **sports stadiums and venues by preventing the use of taxpayer**  
10 **dollars for private professional sports stadiums and venues and**  
11 **removing the ability of professional sports teams to use the threat**  
12 **of relocation as a basis to use taxpayer funding to construct,**  
13 **maintain, promote, or operate a professional sports stadium or**  
14 **venue. This purpose is based on the following reasons:**  
15 **(1) Over the last few decades, billions of dollars in public**  
16 **money has been spent on private professional sports stadiums**  
17 **and facilities.**



1 (2) State and local governments should spend their financial  
 2 resources on the core functions of government, such as public  
 3 safety, education, and roads.

4 (3) Funding sports stadiums and venues often crowds out  
 5 these core functions of government.

6 (4) The promises of economic development and increased  
 7 economic activity from professional sports stadiums are often  
 8 overstated or never materialize.

9 (5) The consumer spending on sports entertainment after  
 10 stadiums are constructed often comes at the expense of  
 11 consumer spending in other types of entertainment.

12 (6) The overwhelming evidence from the academic research  
 13 on stadium subsidies shows these subsidies do not produce net  
 14 positive returns for the state and local governments.

15 (7) Subsidies are given to lure a professional sports team or to  
 16 prevent a team from moving from one (1) state to another  
 17 state.

18 (8) Teams will force states and municipalities to bid against  
 19 each other, costing residents hundreds of millions of dollars.

20 (b) The state declares that it is opposed to future public funding  
 21 for constructing, maintaining, promoting, or operating  
 22 professional sports stadiums and venues.

23 **Sec. 2. ARTICLE II. DEFINITIONS**

24 As used in this chapter, unless the context clearly requires a  
 25 different meaning, the following definitions apply:

26 A. "Professional sports" means any sporting event or  
 27 competition featuring nonamateur athletes. The term does not  
 28 include an event involving high school or collegiate level  
 29 athletics and competitions funded solely by an Internal  
 30 Revenue Code 501(c)(3) organization and within its charitable  
 31 purpose.

32 B. "Stadium", "professional sports stadium", or "professional  
 33 sports stadium or venue" means a place that hosts two (2) or  
 34 more professional sports events in a calendar year, or two (2)  
 35 or more practices for any professional sports event. The term  
 36 includes practice and development facilities, office space,  
 37 merchandising facilities, restaurants, or lodging for either  
 38 major and minor league professional sports teams.

39 C. "Subsidy" means direct funding, tax credit, tax exemption,  
 40 government bond, loan, loan guarantee, or any other funding  
 41 mechanism that comes from state or local government.

42 **Sec. 3. ARTICLE III. AUTHORIZATION AND**



1 **IMPLEMENTATION**

2 (a) The attorney general is authorized to enter into an interstate  
3 compact to prevent public funding for constructing, maintaining,  
4 promoting, or operating professional sports stadiums and venues.

5 (b) The interstate compact described in this chapter shall be  
6 implemented by the attorney general by entering into an interstate  
7 compact when the attorney general finds that at least twenty-four  
8 (24) other states are agreeable to the terms required by this  
9 chapter. The attorney general shall notify the general assembly, in  
10 an electronic format under IC 5-14-6, and the governor that the  
11 attorney general plans to implement the interstate compact on  
12 behalf of the state.

13 **Sec. 4. ARTICLE IV. PREVENTION OF STATE FUNDS**

14 An interstate compact under this chapter must require that the  
15 following may not be used for constructing, maintaining,  
16 promoting, or operating a professional sports stadium or venue  
17 that is not in existence on January 1, 2018:

18 (1) A state general fund.

19 (2) Any subsidy from any other state fund.

20 **Sec. 5. ARTICLE V. PREVENTION OF LOCAL FUNDS**

21 An interstate compact under this chapter must require that  
22 upon the implementation date of the compact, a political  
23 subdivision may not expend or appropriate public funds, nor  
24 provide a subsidy, for constructing, maintaining, promoting, or  
25 operating a professional sports stadium or venue that is not in  
26 existence on January 1, 2018.

27 **Sec. 6. ARTICLE VI. PREVIOUS COMMITMENTS**

28 An interstate compact under this chapter must require that this  
29 chapter shall not be interpreted to amend or breach any existing  
30 contract or inhibit bond or lease financing or payment for any  
31 project approved before the compact is implemented under this  
32 chapter.

33 **Sec. 7. ARTICLE VII. FEES AUTHORIZED**

34 An interstate compact under this chapter must require that this  
35 chapter does not limit the state or a political subdivision from  
36 charging reasonable fees for infrastructure related to a  
37 professional sports stadium.

