

10 A RESOLUTION CONCERNING  
20 LIMITING STATE FUNDING FOR STADIUMS IN MARYLAND

30 WHEREAS: For the most part, cities, counties and states use a combination of broad-based  
40 taxes (i.e. sales and property taxes) or special taxes (i.e. taxes on alcohol and  
50 tobacco consumption, hotel rooms and car rentals) to help build and operate  
60 sports stadiums; and,

70 WHEREAS: Since the market size is not as important, teams do not frequently have problems  
80 leaving a market in search of a more lucrative stadium (i.e. the former Los  
90 Angeles Rams moved to the Trans World Dome in St. Louis and began earning  
100 more from luxury box leases and variety of corporate sponsorship deals); and,

110 WHEREAS: A team is indifferent to the market as long as the venues are state-of-the-art  
120 makes them more willing to leave if the offer from another place is superior;  
130 and,

140 WHEREAS: Owners of franchises have become experts at manipulation, using a threat of  
150 moving to another city to persuade state and local politicians to provide them  
160 with lavish new stadiums and arenas at little or no cost (i.e. Cleveland lost its  
170 football team to a city that offered a \$200 million stadium for free, with Art  
180 Modell, the franchise owner, keeping all the revenue and the people of Maryland  
190 never seeing a return for their money); and,

200 WHEREAS: The appropriation of funds can be dangerous, as one city building a new stadium  
210 for their professional team makes the other teams jealous and greedy; and,

220 WHEREAS: If one team gets a new stadium with increased revenues, their ability to put  
230 together a superior team unjustly increases; and,

240 WHEREAS: This leads to the claim that the owners of a professional team in one city must be  
250 given open-ended access to the public treasury in order to compete with other  
260 teams, because the other teams have been given open-ended access to their  
270 city's or state's treasury; and,

280 WHEREAS: As a result, there is no limit to the amount of money that can be demanded  
290 using this logic, with each team owner conjuring up his or her demands; and,

300 WHEREAS: In this case, the teams are the only entities that profit from such arrangements,  
310 with major financial consequences faced by the city; and,

320 WHEREAS: Wrongfully argued benefits of a stadium to a city include: generate economic  
330 growth through high levels of new spending in a region; create a large number  
340 of jobs; revitalize declining central business districts; change land-use patterns;  
350 and,

360 WHEREAS: Although these tactics are often artfully crafted, skillfully presented and  
370 believed by enough people in a city or a region to proceed with funding,  
380 scholars concur that stadiums do not deliver the benefits they promise; and,

390 WHEREAS: According to Roger G. Noll and Andrew Zimbalist, those arguments contain bad  
400 economic reasoning that leads to overstatement of benefits of stadiums;  
410 economic growth takes place where a community's resources become more

420 productive; building a stadium is good for local economy only if a stadium is the  
430 most productive way to make capital investments and use its workers; and,

440 WHEREAS: Stadium jobs, both during and after construction, are not ones that are the most  
450 productive; construction crews are often from national firms and not locally  
460 based; most stadium jobs during games and other events are low-wage service  
470 jobs; and

480 WHEREAS: Stadiums are alleged to create new jobs as part of their economic benefits  
490 package, however, sports teams actually make up a miniscule portion of a city's  
500 income (i.e. in Chicago, the five pro teams generate less than 1% of the personal  
510 income of the city; the 1998 NBA lockout may have been a misfortune for Bulls  
520 fans, but it has had roughly zero effect on the Chicago economy; those who  
530 would have gone to the game are taking their dates to dinner or to a club instead;  
540 there is a transfer rather than a net loss of activity); and,

550 WHEREAS: The arrival of a professional sports team in a city provides households with a  
560 new entertainment option; a stadium would most likely decrease the business  
570 other entertainment venues experience, potentially putting those establishments  
580 in jeopardy; and,

590 WHEREAS: Although teams can instill civic pride in the community, professional sports by  
600 no means have a monopoly on civic pride; public arts plans, beautiful parks  
610 systems or vital downtowns and neighborhoods are examples that instill similar  
620 feelings of pride in cities and regions; and,

630 WHEREAS: Assuming that civic pride will be strong enough to be willing to cover the costs  
640 of a stadium or arena is unwise; and,

650 WHEREAS: Several cities, including Milwaukee, San Francisco, San Jose, Seattle and  
660 Pittsburgh have listed referenda on their ballots to raise taxes for stadiums, only  
670 to see them fail; and,

680 WHEREAS: Studies have shown that citizens are unwilling to take on stadium costs; a  
690 research team headed by Bruce K. Johnson used community surveys to place a  
700 dollar value on the civic pride and employment generated by the Pittsburgh  
710 Penguins; the economics team asked residents how much they would pay to  
720 keep the franchise in town; they found that keeping the Penguins was worth  
730 about \$66 million to the residents of Pittsburgh, far less than the \$200 million or  
740 more needed for a new arena; and,

750 WHEREAS: The money that states or cities use to build stadiums means that much less can  
760 be spent on other uses; and,

770 WHEREAS: Stadium spending diverts funding from more important public services, such as  
780 crime prevention, road building and schools; and,

790 WHEREAS: The cost of a proposed stadium/ convention facility for the NFL Chicago Bears,  
800 for example, is nearly half the entire budget of the Chicago Public School;  
810 Oakland, CA can't afford to heat its schools and is deciding whether to cut back  
820 a number of police and firefighters due to a deal its city council made to bring  
830 back the Raiders; and,

840 WHEREAS: Voters in Minneapolis and Pittsburgh told sports teams owners that they were  
850 sick of being on the donating end of the "vast corporate welfare machine that is  
860 professional sports;" and,

870 WHEREAS: Corporate sponsors may help to pay for the stadium, but only a fraction of the  
880 actual amount it costs to fund the stadium; taxpayers spend millions more, yet  
890 full credit for the stadium is given to that sponsor (i.e. fans objected to 3Com  
900 Corp. receiving rights for only paying \$500,000 to put its name on San  
910 Francisco's Candlestick Park); and,

920 WHEREAS: The 1986 Federal Tax Reform Act (which denies federal subsidies for sport  
930 facilities if more than 10% of the debt service is covered by revenues from the  
940 stadium), did little to stop stadium construction; local subsidies tended to  
950 increase to keep rents below 10% of debt service; the pattern of limiting federal  
960 funding only leads to increased state and local funding for construction.

970 THEREFORE BE IT RESOLVED: That the Maryland Student Legislature urge the Maryland  
980 General Assembly create legislation to limit state funding for stadiums in  
990 Maryland; and,

1000 BE IT FURTHER RESOLVED: That the proposal to limit state funding be listed as a  
1010 referendum on ballots to acquire the opinion of the people of the state of  
1020 Maryland.

1030 MANDATES: Governor Robert Ehrlich  
1040 Lt. Governor Michael Steele  
1050 Maryland General Assembly

Sponsor:

Brooke M. Barrash  
Towson University  
402 Campus View Drive  
Apartment 2210  
Towson, MD 21204  
410-583-8268  
[brookie84@toadmail.com](mailto:brookie84@toadmail.com)