
SUBSTITUTE HOUSE BILL 2722

State of Washington

52nd Legislature

1992 Regular Session

By House Committee on Trade & Economic Development (originally sponsored by Representatives Jacobsen, Cantwell, Basich, Casada, G. Fisher, Ferguson, Wineberry, Neher, Appelwick, Paris, Heavey, Beck, Nelson, Brumsickle, Bray and J. Kohl)

Read first time 02/07/92.

1 AN ACT Relating to professional sports franchises; amending RCW
2 35.21.695; and declaring an emergency.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 35.21.695 and 1987 c 32 s 2 are each amended to read
5 as follows:

6 (1) The legislature finds that substantial public benefits result
7 from the operation of professional sports franchises in Washington
8 state, including tourism, creation of economic development and tax
9 revenues, recreation opportunities for the citizens of the state, full
10 utilization of public facilities, and urban development. The
11 legislature also finds that counties and cities have expended
12 substantial sums to attract and keep professional sports franchises,
13 with much of these expenditures approved directly by the citizens
14 through, for example, the approval of bonds to finance public stadiums

1 and arenas. The risk of relocation of professional franchises outside
2 the state exists despite the support provided to the franchises by
3 counties, cities, and the citizens of this state. The legislature
4 intends to authorize counties and cities to take an ownership interest
5 in a professional sports franchise when the franchise owner announces
6 the intention to sell or move the franchise, provided that the public
7 ownership interest is consistent with limitations imposed by the state
8 Constitution.

9 (2) Any city, code city, or county, individually or collectively,
10 may own and operate an existing professional sports franchise or an
11 interest in the franchise when the owners of ~~((such franchises))~~ the
12 franchise announce their intention to sell or move ~~((a))~~ the franchise.

13 ~~((+2))~~ (3) If a city, code city, or county purchases a
14 professional sports franchise or an interest in the franchise, a public
15 corporation shall be created to manage and operate the franchise or the
16 city's, code city's, or county's interest in the franchise. The public
17 corporation created under this section shall have all of the
18 authorities granted by RCW 35.21.730 through 35.21.757.

19 (4) The governing body of the city, code city, or county shall
20 approve the purchase of a franchise or an ownership interest in a
21 franchise by ordinance or resolution. The ordinance or resolution
22 shall contain specific findings that the purchase has a public purpose
23 and is the most reasonable alternative the city, code city, or county
24 has to ensure that the professional sports franchise does not relocate.

25 (5) When a city, code city, or county purchases an ownership
26 interest in a professional sports franchise: (a) Any benefit from the
27 public purchase to other private owners or the franchise shall be
28 incidental to achieving the public purpose; (b) the city, code city, or
29 county shall receive adequate consideration for the public investment,
30 and the public investment shall be restricted to an indebtedness

1 proportionate to the participation of the city, code city, or county;
2 (c) the city, code city, or county shall be severally liable for their
3 own acts and shall not be assessed for the obligations of other owners
4 or participants; and (d) the agreement shall be structured so as to not
5 lend the public's credit.

6 NEW SECTION. Sec. 2. If any provision of this act or its
7 application to any person or circumstance is held invalid, the
8 remainder of the act or the application of the provision to other
9 persons or circumstances is not affected.

10 NEW SECTION. Sec. 3. This act is necessary for the immediate
11 preservation of the public peace, health, or safety, or support of the
12 state government and its existing public institutions, and shall take
13 effect immediately.