

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 229
Appropriations

(Delegates Moon and Kittleman)

**Interstate Compact on Washington Area Professional Football Team Franchise
Facility Incentives**

This bill establishes the Interstate Compact on Washington Area Professional Football Team Franchise Facility Incentives (compact). A party state to the compact (Maryland; Virginia; and Washington, DC), a local jurisdiction located in a party state, or an authority or corporation established by a party state or local jurisdiction is prohibited from providing or offering to provide specified types of financial assistance for the construction of facilities for the Washington area professional football team.

The bill takes effect as early as October 1, 2018, except that it cannot take effect until similar legislation is enacted by Virginia and Washington, DC, which must occur by January 1, 2020. The bill is null and void on January 1, 2021, if Virginia and Washington, DC, fail to concur.

Fiscal Summary

State Effect: The procedural provisions of the bill do not materially affect State finances or operations. The effect on any future financial assistance provided by the State, a State authority, or a State corporation, if any, to the Washington area football team is unknown. This analysis assumes that the bill applies solely to the team currently located in Prince George's County, and not also to the team located in Baltimore City. See the Additional Comments below for further discussion.

Local Effect: The bill does not directly affect local government finances or operations. The effect on any future financial assistance provided by local governments, if any, to the Washington area football team is unknown.

Small Business Effect: None.

Analysis

Bill Summary: Beginning October 1, 2018, a party state to the compact, a local jurisdiction located in a party state, or an authority or a corporation established by a party state or local jurisdiction may not:

- provide or offer to provide financing or public incentives for the construction of facilities for the Washington area professional football team unless the financing or public incentives are otherwise available to all development projects or business entities located in the party state;
- utilize public funds for the construction or maintenance of facilities for the Washington area professional football team;
- utilize public funds for infrastructure improvements required by newly constructed facilities for the Washington area professional football team; or
- lease or donate land to the Washington area professional football team or an entity affiliated with the Washington area professional football team.

A party state may withdraw from the compact only after providing one year's notice to the other party states. A party state is not required to comply with the compact if the party state's Attorney General determines that another party state has repealed, replaced, or failed to implement any aspect of the compact.

Current Law/Background: The current stadium for the Washington area professional football team is located in Prince George's County and opened for operations in 1997. Per the [agreement](#) that provided land and some State and local financial incentives for the stadium project, the team is required to play all home games at the stadium for 30 years. After that time, the team may play elsewhere. Several sites have already been publicly considered as relocation options.

A similar bill was introduced in Washington, DC, in 2017 and is still under consideration (the DC Council has a two-year cycle). A similar bill has also been introduced in Virginia in 2018.

Additional Comments: While the bill repeatedly references "the" Washington area football team, implying the singular team located in Prince George's County, the Department of Legislative Services advises that, as drafted, the definition of "Washington area professional football team" includes the Baltimore Ravens franchise. The Maryland Stadium Authority (MSA) advises that the bill would restrict MSA from issuing debt

related to M&T Bank Stadium in Baltimore. MSA is party to a lease agreement with the Ravens that requires MSA to operate and maintain the stadium through the life of the 30-year lease term. This continuing duty may require the issuance of debt to obtain financing for major facility components. Being unable to do so would risk breaching the lease agreement. Similar concerns about the bill's applicability were also expressed by the Department of Budget and Management and the Comptroller's Office.

Additional Information

Prior Introductions: HB 1049 of 2017, a similar bill, received a hearing from the House Appropriations Committee, but no further action was taken.

Cross File: None.

Information Source(s): Department of Commerce; Comptroller's Office; Department of Budget and Management; Department of General Services; Maryland Stadium Authority; Maryland Economic Development Corporation; Montgomery County; Department of Legislative Services

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