



POSITION STATEMENT

TESTIMONY PRESENTED TO THE HOUSE APPROPRIATIONS COMMITTEE

HOUSE BILL 897 – SPORTS ENTERTAINMENT FACILITIES ACT OF 2022

Sponsor – Chair, Appropriations Committee (By Request - Departmental - Stadium Authority)

March 15, 2022

**DONALD C. FRY
PRESIDENT & CEO
GREATER BALTIMORE COMMITTEE**

Position: Support with Amendment

House Bill 896 would authorize the Maryland Stadium Authority (MSA) to issue up to \$200 million in bonds for construction of a Sports Entertainment Facility. A Sports Entertainment Facility means a structure or other improvement in the State at which minor league or other non-major league sporting events are held. It does not include a facility at Camden Yards, a facility related to professional major league sports, or a high school, collegiate, or recreational venue. We anticipate that an amendment will be submitted to expand the definition to include facilities used for youth and amateur sports.

Currently, three of the Orioles minor league franchises are located in Maryland, and the facilities in which they play must also be updated regularly to meet current Major League Baseball requirements. There are other existing and future facilities across the state that could benefit from Maryland Stadium Authority assistance and construction management.

The MSA would be authorized to finance and manage such projects after it receives a written request from the county in which the Sports Entertainment Facility is located or will be located. The request must include information about the location, non-MSA funding, and the planned use of the facility. If approved by the Board of Public Works (BPW), the MSA and the hosting county would enter into a written agreement regarding the source and method of funding, and an agreement from the county to own, market, promote, and operate the facility in a manner that maximizes the facility's economic return and to maintain and repair the facility in top condition.

The Greater Baltimore Committee (GBC) strongly supports this legislation because it would allow facilities located in counties across Maryland to benefit from MSA financing and construction management, without having to enact legislation for each and every project. Despite this authorization, the MSA would not be able to unilaterally take on new projects. Once the MSA Board approves a project, it would still need to be reviewed by the General Assembly's fiscal committees and approved by the Board of Public Works, ensuring thorough oversight of the decision.

The MSA has an exemplary record of successful construction projects on stadiums, schools, conference facilities, and performing arts venues, among others. It consistently delivers projects quickly and within budget. Creating a permanent financing fund to assist counties who want to renovate or develop sports entertainment facilities will generate economic activity throughout the state, increase local and state tax revenues, and benefit the communities in which the facilities are located.

This bill is consistent with two of the key tenets in *Gaining a Competitive Edge: Keys to Economic Growth and Job Creation in Maryland*, a report published by the GBC that identifies eight core pillars for a competitive business environment and job growth:

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Strategic and effective state investments in business growth. The state must commit to substantive strategic investments, leveraged with capital assets, to nurture business and job growth. Investments should include competitive and effective tax credits, business development incentives, and tactical initiatives to nurture private investment in industry growth.

Government leadership that unites with business as a partner. Maryland leaders must set a welcoming tone that communicates positive support for business, respect for the private sector as a partner, not an adversary, and reflects a strategic plan for business growth and job creation.

Creating a financing fund to help counties invest in sports entertainment facilities by partnering with the Maryland Stadium Authority without requiring legislative action for each individual project will provide benefits across the state.

For these reasons, the Greater Baltimore Committee urges the Committee to give House Bill 897 a favorable report, with the anticipated amendment expanding the definition of Sports Entertainment Facility.

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 67-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.