

104TH CONGRESS
2D SESSION

S. 1625

To provide for the fair consideration of professional sports franchise relocations, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 19, 1996

Mr. SPECTER introduced the following bill; which was read twice and referred to the Committee on the Judiciary

A BILL

To provide for the fair consideration of professional sports franchise relocations, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Professional Sports
5 Franchise Relocation Act of 1996”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds that—

8 (1) professional sports teams foster a strong
9 local identity with the people of the cities and re-

1 regions in which they are located, providing a source
2 of civic pride for their supporters;

3 (2) professional sports teams provide employ-
4 ment opportunities, revenues, and a valuable form of
5 entertainment for the cities and regions in which
6 they are located;

7 (3) in many communities, there are significant
8 public investments associated with professional
9 sports facilities;

10 (4) it is in the public interest to encourage pro-
11 fessional sports leagues to operate under policies
12 that promote stability among their member teams
13 and to promote the equitable resolution of disputes
14 arising from the proposed relocation of professional
15 sports teams; and

16 (5) professional sports teams travel in inter-
17 state commerce to compete, and utilize materials
18 shipped in interstate commerce, and professional
19 sports games are broadcast nationally.

20 **SEC. 3. DEFINITIONS.**

21 As used in this Act—

22 (1) the term “antitrust laws” shall have the
23 meaning given to such term in the first section of
24 the Clayton Act (15 U.S.C. 12) and in the Federal
25 Trade Commission Act (15 U.S.C. 41 et seq.);

1 (2) the term “home territory” means the geo-
2 graphic area within which a member team operates
3 and plays the majority of its home games, as defined
4 in the governing agreement or agreements of the rel-
5 evant league on July 1, 1995, or upon the com-
6 mencement of operations of any league after such
7 date;

8 (3) the term “interested party” includes—

9 (A) any local government that has provided
10 financial assistance, including tax abatement, to
11 the facilities in which the team plays;

12 (B) a representative of the local govern-
13 ment for the locality in which a member team’s
14 stadium or arena is located;

15 (C) a member team;

16 (D) the owner or operator of a stadium or
17 arena of a member team; and

18 (E) any other affected party, as designated
19 by the relevant league;

20 (4) the term “local government” means a city,
21 county, parish, town, township, village, or any other
22 general governmental unit established under State
23 law;

24 (5) the terms “member team” and “team”
25 mean any team of professional athletes—

1 (A) organized to play major league foot-
2 ball, basketball, or hockey; and

3 (B) that is a member of a professional
4 sports league;

5 (6) the term “person” means any individual,
6 partnership, corporation, or unincorporated associa-
7 tion, any combination or association thereof, or any
8 political subdivision;

9 (7) the terms “professional sports league” and
10 “league” mean an association that—

11 (A) is composed of 2 or more member
12 teams;

13 (B) regulates the contests and exhibitions
14 of its member teams; and

15 (C) has been engaged in competition in a
16 particular sport for more than 7 years; and

17 (8) the terms “stadium” and “arena” mean the
18 principal facility within which a member team plays
19 the majority of its home games.

20 **SEC. 4. ACTIONS AUTHORIZED.**

21 The antitrust laws shall not apply to a professional
22 sports league’s enforcement or application of a rule au-
23 thORIZING the membership of the league to decide whether
24 or not a member team of such league may be relocated.

1 **SEC. 5. PROCEDURAL REQUIREMENTS.**

2 (a) NOTICE.—

3 (1) IN GENERAL.—Any person seeking to
4 change the home territory of a member team shall
5 furnish notice of such proposed change not later
6 than 210 days before the commencement of the sea-
7 son in which the member team is to play in such
8 other location.

9 (2) REQUIREMENTS.—The notice shall—

10 (A) be in writing and delivered in person
11 or by certified mail to all interested parties;

12 (B) be made available to the news media;

13 (C) be published in one or more news-
14 papers of general circulation within the member
15 team's home territory; and

16 (D) contain—

17 (i) an identification of the proposed
18 new location of such member team;

19 (ii) a summary of the reasons for the
20 change in home territory based on the cri-
21 teria listed in subsection (b)(2); and

22 (iii) the date on which the proposed
23 change would become effective.

24 (b) PROCEDURES.—

25 (1) ESTABLISHMENT.—Prior to making a deci-
26 sion to approve or disapprove the relocation of a

1 member team, a professional sports league shall es-
2 tablish applicable rules and procedures, including
3 criteria and factors to be considered by the league
4 in making decisions, which shall be available upon
5 request to any interested party.

6 (2) CRITERIA TO BE CONSIDERED.—The cri-
7 teria and factors to be considered shall include—

8 (A) the extent to which fan loyalty to and
9 support for the team has been demonstrated
10 during the team’s tenure in the community;

11 (B) the degree to which the team has en-
12 gaged in good faith negotiations with appro-
13 priate persons concerning terms and conditions
14 under which the team would continue to play its
15 games in the community or elsewhere within its
16 home territory;

17 (C) the degree to which the ownership or
18 management of the team has contributed to any
19 circumstance that might demonstrate the need
20 for the relocation;

21 (D) the extent to which the team, directly
22 or indirectly, received public financial support
23 by means of any publicly financed playing facil-
24 ity, special tax treatment, or any other form of
25 public financial support;

1 (E) the adequacy of the stadium or arena
2 in which the team played its home games in the
3 previous season, and the willingness of the sta-
4 dium, arena authority, or local government to
5 remedy any deficiencies in the facility;

6 (F) whether the team has incurred net op-
7 erating losses, exclusive of depreciation or am-
8 ortization, sufficient to threaten the continued
9 financial viability of the team;

10 (G) whether any other team in the league
11 is located in the community in which the team
12 is located;

13 (H) whether the team proposes to relocate
14 to a community in which no other team in the
15 league is located;

16 (I) whether the stadium authority, if pub-
17 lic, is opposed to the relocation; and

18 (J) any other criteria considered appro-
19 priate by the professional sports league.

20 (c) HEARINGS.—In making a determination with re-
21 spect to the location of such member team's home terri-
22 tory, the professional sports league shall conduct a hearing
23 at which interested parties shall be afforded an oppor-
24 tunity to submit written testimony and exhibits. The
25 league shall keep a record of all such proceedings.

1 **SEC. 6. JUDICIAL REVIEW.**

2 (a) IN GENERAL.—A decision by a professional
3 sports league to approve or disapprove the relocation of
4 a member team may be reviewed in a civil action brought
5 by an interested party subject to the limitations set forth
6 in this section.

7 (b) VENUE.—

8 (1) IN GENERAL.—Subject to paragraph (2), an
9 action under this section may be brought only in the
10 United States District Court for the District of Co-
11 lumbia.

12 (2) EXCEPTION.—If the home territory of the
13 member club or the proposed new home territory of
14 the member club is within 50 miles of the District
15 of Columbia, an action under this section may be
16 brought only in the United States District Court for
17 the Southern District of New York.

18 (c) TIME.—An action under this section shall be
19 brought not later than 14 days after the formal vote of
20 the league approving or disapproving the proposed reloca-
21 tion.

22 (d) STANDARD OF REVIEW.—Judicial review of a de-
23 cision by a professional sports league to permit or not to
24 permit the relocation of a member team shall be conducted
25 on an expedited basis, and shall be limited to—

1 (1) determining whether the league complied
2 with the procedural requirements of section 5; and

3 (2) determining whether, in light of the criteria
4 and factors to be considered, the league's decision
5 was arbitrary or capricious.

6 (e) REMAND.—If the reviewing court determines that
7 the league failed to comply with the procedural require-
8 ments of section 5 or reached an arbitrary and capricious
9 decision, it shall remand the matter for further consider-
10 ation by the league. The reviewing court may grant no
11 relief other than enjoining or approving enforcement of the
12 league decision.

13 **SEC. 7. MISCELLANEOUS.**

14 (a) PAYMENT OF DEBTS.—

15 (1) IN GENERAL.—Any team permitted by a
16 professional sports league to relocate its franchise to
17 a different home territory from a publicly owned fa-
18 cility that remains subject to debt for construction
19 or improvements shall pay to the facility owner, on
20 a current basis until the retirement of that debt, its
21 proportionate share, based upon dates of facility
22 usage during the 12 months prior to the notice of
23 the team's intent to relocate, of the existing debt
24 service on such obligations.

1 (2) EFFECT ON EXISTING RIGHTS.—This sub-
2 section shall not affect a stadium authority’s rights,
3 if any, to seek specific enforcement of its lease or a
4 club’s rights, if any, to seek a judicial determination
5 that its lease has been breached.

6 (b) COMPETITION.—Any community from which a
7 professional sports league franchise relocates under this
8 Act shall receive 180 days’ prior notice of any league deci-
9 sion to expand and an opportunity to compete for such
10 an expansion franchise on grounds no less favorable than
11 those afforded to other communities.

12 **SEC. 8. EFFECTIVE DATE.**

13 This Act shall apply to any league action addressing
14 relocation of the home territory of a member team that
15 occurs on or after June 1, 1995, and to any lawsuit ad-
16 dressing such league action filed after June 1, 1995.

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