

**Introduced by Senator Migden**January 3, 2007

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An act to add Section 53084.5 to the Government Code, and to add Section 33426.8 to the Health and Safety Code, relating to local government.

## LEGISLATIVE COUNSEL'S DIGEST

SB 49, as introduced, Migden. Local government: financial assistance: sports franchises.

Existing law prohibits a local agency or redevelopment agency from providing any form of financial assistance to specified business entities when a business entity is relocating from the territorial jurisdiction of one local agency to another within the same market area, as specified.

This bill would prohibit a local agency or redevelopment agency from providing financial assistance to a sports stadium project that involves the relocation of a professional sports franchise from the territorial jurisdiction of one local agency to another within the same market area, as specified. The bill would provide that this prohibition does not apply to local agency assistance in the construction of public improvements that serve all or a portion of the jurisdiction of the local agency, as specified, and would provide the home local agency, as defined, the right to assert a violation of these provisions as a claim or defense in judicial proceedings.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 53084.5 is added to the Government  
2 Code, to read:

3 53084.5. (a) Notwithstanding any other provision of law,  
4 except as provided in subdivision (b), a local agency shall not  
5 provide any form of financial assistance to a sports stadium project  
6 that involves a professional sports franchise relocating from the  
7 territorial jurisdiction of a home local agency to the territorial  
8 jurisdiction of another local agency but within the same market  
9 area.

10 (b) This section shall not apply to local agency assistance in the  
11 construction of public improvements that serve all or a portion of  
12 the jurisdiction of the local agency, that provide significant  
13 community benefits to an area larger than the site of the sports  
14 stadium project, and that are not required to be constructed as a  
15 condition of developing the sports stadium project. This section  
16 shall not prohibit assistance in the construction of public  
17 improvements that are being constructed for a development other  
18 than the sports stadium project.

19 (c) The home local agency shall have the right to assert a  
20 violation of this section as a claim or defense in a judicial  
21 proceeding and obtain injunctive, declaratory, or other appropriate  
22 relief to enforce this section.

23 (d) As used in this section:

24 (1) “Financial assistance” includes, but is not limited to, any of  
25 the following:

26 (A) Any bonds or other forms of indebtedness, including, but  
27 not limited to, any tax allocation bonds or any other provision of  
28 tax increment, whether on a pay-as-you-go basis or otherwise.

29 (B) Any loans, grants, subsidies, guaranties, or payments for  
30 any costs of the sports stadium project or the use of the sports  
31 stadium.

32 (C) Any lease or license of real property, or an interest in real  
33 property, at less than its fair market value, including, but not limited  
34 to, any rent credits or free rent period.

35 (D) Any sale or other conveyance of real property, or an interest  
36 in real property, at less than the fair market value.

37 (E) Any tax incentive, including, but not limited to, tax  
38 exemptions, credits, rebates, reductions, or moratoria, including

1 any payment based on the amount of taxes generated by the sports  
2 stadium project.

3 (F) Any acquisition of real property or any interest in real  
4 property to facilitate the assembly of the site for the sports stadium  
5 project, including any acquisition, by voluntary sale or otherwise,  
6 with public funds or with funds provided by the professional sports  
7 franchise or any of its development partners.

8 (G) Any payment for, or forgiveness of, or reduction in fees.

9 (H) Any approval to provide for tax-exempt financing of any  
10 part of the sports stadium project, including, but not limited to,  
11 any bonds created by or recognized under any provision of the  
12 Internal Revenue Code that allow private entities to use the  
13 proceeds of tax-exempt bonds, such as industrial development  
14 bonds or any other economic development conduit revenue bonds.

15 (I) Any other form of direct or indirect financial assistance to  
16 the professional sports franchise, any of its developer partners, or  
17 any of their affiliates, contractors, or agents in connection with the  
18 sports stadium project.

19 (2) “Home local agency” means the local agency that has  
20 jurisdiction over territory in which there is a sports stadium that  
21 the professional sports franchise has played its home games in for  
22 more than 30 years and where the professional sports franchise  
23 has incorporated the name of the home local agency in the name  
24 by which the franchise is commonly known.

25 (3) “Local agency” means a chartered or general law city, a  
26 chartered or general law county, or a city and county. “Local  
27 agency” does not include a redevelopment agency that is subject  
28 to Section 33426.8 of the Health and Safety Code.

29 (4) “Market area” means either (i) a geographic area that is  
30 recognized by the National Football League as the territory for a  
31 professional sports franchise or (ii) any other larger geographic  
32 area that is described in publications of bond rating agencies or  
33 independent and reputable sports market research organizations  
34 as the relevant market for the professional sports franchise. A  
35 “market area” shall not extend further than 100 miles, as measured  
36 by the most reasonable route on roads between two points, starting  
37 from the sports stadium from which the professional sports  
38 franchise is relocating and ending at the facility outside the home  
39 local agency to which the professional sports franchise is  
40 relocating.

1 (5) “Professional sports franchise” means a franchise or other  
2 entity operated for the exhibition of National Football League  
3 games, and any affiliate organized to develop or operate a sports  
4 stadium.

5 (6) “Relocating” means the termination of exhibitions of home  
6 games by a professional sports franchise in a sports stadium in the  
7 territory of the home local agency and the commencement of  
8 performances of home games by a professional sports franchise  
9 in another sports stadium located outside the territory of the home  
10 local agency and developed as part of a sports stadium project.

11 (7) “Sports stadium” means a stadium, arena, pavilion, or other  
12 structure or building used for holding professional athletic events.

13 (8) “Sports stadium project” means the proposed construction,  
14 improvement, renovation, development, entitlement, site assembly,  
15 operation, maintenance, repair, use, management, or financing of  
16 a sports stadium or any related uses outside of the home local  
17 agency, including, without limitation, any residential, commercial,  
18 parking, open space, and other uses developed in connection with  
19 the sports stadium regardless of whether these uses are located in  
20 the vicinity of the sports stadium, and any infrastructure proposed  
21 to be developed in connection with a sports stadium or other related  
22 uses, including, without limitation, highways, interchanges, ramps,  
23 streets, and other transportation and transit improvements, utilities,  
24 parks, recreational facilities, and open space.

25 SEC. 2. Section 33426.8 is added to the Health and Safety  
26 Code, to read:

27 33426.8. (a) Notwithstanding any other provision of law,  
28 except as provided in subdivision (b), a redevelopment agency  
29 shall not provide any form of financial assistance to a sports  
30 stadium project that involves a professional sports franchise  
31 relocating from the territorial jurisdiction of one local agency to  
32 the territorial jurisdiction of another local agency but within the  
33 same market area.

34 (b) This section shall not apply if the governing legislative body  
35 of the community from which the professional sports franchise is  
36 relocating adopts a resolution declaring that the community does  
37 not object to the relocation.

38 (c) The home local agency shall have the right to assert a  
39 violation of this section as a claim or defense in a judicial

1 proceeding and obtain injunctive, declaratory, or other appropriate  
2 relief to enforce this section.

3 (d) As used in this section:

4 (1) “Community” has the same meaning as specified in Section  
5 33002.

6 (2) “Territorial jurisdiction” has the meaning as specified in  
7 Section 33120.

8 (3) “Financial assistance” includes, but is not limited to, any of  
9 the following:

10 (A) Any bonds or other forms of indebtedness, including, but  
11 not limited to, any tax allocation bonds or any other provision of  
12 tax increment, whether on a pay-as-you-go basis or otherwise.

13 (B) Any loans, grants, subsidies, guaranties, or payments for  
14 any costs of the sports stadium project or the use of the sports  
15 stadium.

16 (C) Any lease or license of real property, or an interest in real  
17 property, at less than its fair market value, including, but not limited  
18 to, any rent credits or free rent period.

19 (D) Any sale or other conveyance of real property, or an interest  
20 in real property, at less than the fair market value.

21 (E) Any tax incentive, including, but not limited to, tax  
22 exemptions, credits, rebates, reductions, or moratoria, including  
23 any payment based on the amount of taxes generated by the sports  
24 stadium project.

25 (F) Any acquisition of real property or any interest in real  
26 property to facilitate the assembly of the site for the sports stadium  
27 project, including any acquisition, by voluntary sale or otherwise,  
28 with public funds or with funds provided by the professional sports  
29 franchise or any of its development partners.

30 (G) Any payment for, or forgiveness of, or reduction in fees.

31 (H) Any approval to provide for tax-exempt financing of any  
32 part of the sports stadium project, including, but not limited to,  
33 any bonds created by or recognized under any provision of the  
34 Internal Revenue Code that allow private entities to use the  
35 proceeds of tax-exempt bonds, such as industrial development  
36 bonds or any other economic development conduit revenue bonds.

37 (I) Any other form of direct or indirect financial assistance to  
38 the professional sports franchise, any of its developer partners, or  
39 any of their affiliates, contractors, or agents in connection with the  
40 sports stadium project.

1 (4) “Home local agency” means the local agency that has  
2 jurisdiction over territory in which there is a sports stadium that  
3 the professional sports franchise has played its home games in for  
4 more than 30 years and where the professional sports franchise  
5 has incorporated the name of the home local agency in the name  
6 by which the franchise is commonly known.

7 (5) “Local agency” means a chartered or general law city, a  
8 chartered or general law county, or a city and county.

9 (6) “Market area” means either (i) a geographic area that is  
10 recognized by the National Football League as the territory for a  
11 professional sports franchise or (ii) any other larger geographic  
12 area that is described in publications of bond rating agencies or  
13 independent and reputable sports market research organizations  
14 as the relevant market for the professional sports franchise. A  
15 “market area” shall not extend further than 100 miles, as measured  
16 by the most reasonable route on roads between two points, starting  
17 from the sports stadium from which the professional sports  
18 franchise is relocating and ending at the facility outside the home  
19 local agency to which the professional sports franchise is  
20 relocating.

21 (7) “Professional sports franchise” means a franchise or other  
22 entity operated for the exhibition of National Football League  
23 games, and any affiliate organized to develop or operate a sports  
24 stadium.

25 (8) “Relocating” means the termination of exhibitions of home  
26 games by a professional sports franchise in a sports stadium in the  
27 territory of the home local agency and the commencement of  
28 performances of home games by a professional sports franchise  
29 in another sports stadium located outside the territory of the home  
30 local agency and developed as part of a sports stadium project.

31 (9) “Sports stadium” means a stadium, arena, pavilion, or other  
32 structures or buildings used for holding professional athletic events.

33 (10) “Sports stadium project” means the proposed construction,  
34 improvement, renovation, development, entitlement, site assembly,  
35 operation, maintenance, repair, use, management, or financing of  
36 a sports stadium or any related uses outside of the home local  
37 agency, including, without limitation, any residential, commercial,  
38 parking, open space, and other uses developed in connection with  
39 the sports stadium regardless of whether these uses are located in  
40 the vicinity of the sports stadium, and any infrastructure proposed

1 to be developed in connection with a sports stadium or other related  
2 uses, including, without limitation, highways, interchanges, ramps,  
3 streets, and other transportation and transit improvements, utilities,  
4 parks, recreational facilities, and open space.

5 SEC. 3. (a) The Legislature finds and declares that the  
6 provision of financial assistance by local agencies and community  
7 redevelopment agencies to relocate professional sports franchises  
8 from one community to another community results in the loss of  
9 public funds available for public purposes, impedes the  
10 implementation of sound land use and economic development  
11 planning, encourages unfair economic competition among  
12 communities, and does not result in public benefits to the people  
13 of the state.

14 (b) The Legislature further finds and declares that promoting  
15 regional economic stability by limiting financial assistance to  
16 facilitate the relocation of professional sports franchises is an issue  
17 of statewide concern and not a municipal affair. The Legislature  
18 further finds that competition among public agencies to locate a  
19 professional sports franchise distorts rational decisionmaking about  
20 how to allocate scarce public resources in the best interests of the  
21 various regions of the state. Therefore, it is necessary that the  
22 provisions of this act apply to all cities, counties, and cities and  
23 counties.