Department of Fiscal Services

Maryland General Assembly

FISCAL NOTE

Senate Bill 721 (Senator Madden) Rules

Maryland Stadium Authority - Renegotiation of Lease with Baltimore Orioles - Prohibition

This bill prohibits the Maryland Stadium Authority from changing the lease or other arrangements with the Baltimore Orioles to include terms, including revenue sharing and other economic terms, comparable to those contained in the memorandum of agreement between the Cleveland Browns, Inc. and BSC, LLC (or any subsequent agreement that incorporates those terms).

The bill is effective June 1, 1996.

Fiscal Summary

State Effect: Potential indeterminate effect on revenues and expenditures.

Local Effect: None.

Fiscal Analysis

State Effect: The Baltimore Orioles organization claims that under the parity clause in its lease it is entitled to more favorable treatment in areas such as rent, facility use, the number of private suites at Oriole Park, construction costs, net parking, concessions revenue, and the number of free parking spaces allocated to the organization. However, this claim is in dispute. The Maryland Stadium Authority maintains that any renegotiations based on parity would not result in any additional benefits for the Orioles organization.

Due to the uncertainty of the success of any renegotiation bids by the Baltimore Orioles, the effect of this bill cannot be estimated at this time. To the extent that the Baltimore Orioles gain concessions from the State through renegotiations based on parity, State expenditure increases and revenue losses could potentially be avoided under the provisions of the bill.

Information Source(s): Maryland Stadium Authority, Department of Fiscal Services

Fiscal Note History: First Reader - April 8, 1996

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