
By: **Senators Teitelbaum, Pinsky, Derr, Dyson, and Van Hollen**
Introduced and read first time: February 6, 1998
Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Major League Athletic Franchises - Right of First Refusal When Sold**

3 FOR the purpose of providing that when a major league athletic franchise located in
4 the State is sold, the State has a right of first refusal to purchase the franchise;
5 requiring the owner of a franchise that is being sold to send a copy of any bona
6 fide offer received for the franchise to the Governor within a certain time;
7 requiring the Governor to take certain actions in connection with the exercise of
8 the State's right of first refusal; authorizing the State to take certain actions if
9 the franchise is purchased by the State; providing that the owner of the
10 franchise is liable to the State for certain moneys expended by the State if the
11 owner sells the franchise to another party and the team relocates to another
12 state as a result of the sale; and generally relating to major league athletic
13 franchises located in the State.

14 BY adding to
15 Article - Financial Institutions
16 Section 13-725
17 Annotated Code of Maryland
18 (1998 Replacement Volume)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
20 MARYLAND, That the Laws of Maryland read as follows:

21 **Article - Financial Institutions**

22 13-725.

23 (A) (1) IF THE OWNER OF A MAJOR LEAGUE ATHLETIC FRANCHISE
24 LOCATED IN THE STATE DECIDES TO SELL THE FRANCHISE, THE STATE SHALL BE
25 GIVEN A RIGHT OF FIRST REFUSAL TO PURCHASE THE FRANCHISE.

26 (2) WITHIN 7 DAYS AFTER RECEIVING A BONA FIDE OFFER FOR THE
27 FRANCHISE, THE OWNER SHALL SEND A COPY OF THE OFFER TO THE GOVERNOR.

1 (3) WITHIN 30 DAYS AFTER RECEIVING A COPY OF THE OFFER, THE
2 GOVERNOR, WITH THE ADVICE OF THE AUTHORITY, THE SENATE BUDGET AND
3 TAXATION COMMITTEE, AND THE HOUSE APPROPRIATIONS COMMITTEE, SHALL
4 MAKE A DETERMINATION AS TO WHETHER IT IS IN THE STATE'S BEST INTERESTS TO
5 EXERCISE THE STATE'S RIGHT OF FIRST REFUSAL.

6 (4) IF THE GOVERNOR DETERMINES THAT THE STATE SHOULD
7 PURCHASE THE FRANCHISE, THE GOVERNOR SHALL INTRODUCE LEGISLATION THAT
8 CONTAINS THE TERMS AND CONDITIONS OF THE PURCHASE FOR CONSIDERATION BY
9 THE GENERAL ASSEMBLY.

10 (B) (1) IF THE GENERAL ASSEMBLY ENACTS LEGISLATION PROVIDING FOR
11 THE PURCHASE OF THE FRANCHISE, WITHIN 7 DAYS AFTER THE EFFECTIVE DATE OF
12 THE LEGISLATION THE GOVERNOR SHALL GIVE NOTICE TO THE OWNER OF THE
13 FRANCHISE THAT THE STATE IS EXERCISING ITS RIGHT OF FIRST REFUSAL.

14 (2) THE STATE SHALL BE GIVEN 12 MONTHS FROM THE DATE OF THE
15 NOTICE TO THE OWNER TO ARRANGE FINANCING FOR THE PURCHASE, DURING
16 WHICH TIME THE TEAM MAY NOT BE RELOCATED TO ANOTHER STATE.

17 (3) IF LEGISLATION IS NOT ENACTED PROVIDING FOR THE PURCHASE
18 OF THE FRANCHISE, OR IF THE STATE IS UNABLE TO ARRANGE FINANCING WITHIN
19 THE TIME PERIOD PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE OWNER
20 MAY SELL THE FRANCHISE, SUBJECT TO THE PROVISIONS OF SUBSECTION (C) OF
21 THIS SECTION.

22 (4) IF THE STATE PURCHASES THE FRANCHISE UNDER THIS
23 SUBSECTION, THE STATE MAY TAKE ANY ACTIONS NECESSARY TO SELL STOCK IN
24 THE FRANCHISE TO RESIDENTS OF THE STATE AND TO DEVELOP AND IMPLEMENT A
25 MANAGEMENT PLAN FOR OPERATION OF THE FRANCHISE.

26 (C) IF THE STATE DOES NOT PURCHASE THE FRANCHISE AND THE TEAM
27 RELOCATES TO ANOTHER STATE AS A RESULT OF THE SALE OF THE FRANCHISE TO
28 ANOTHER PARTY, THE OWNER SHALL BE LIABLE TO THE STATE FOR ALL MONEYS
29 EXPENDED BY THE STATE SINCE 1985 IN CONNECTION WITH THE CONSTRUCTION OF
30 A SPORTS FACILITY FOR USE BY THE TEAM AND ANY RELATED INFRASTRUCTURE,
31 TOGETHER WITH INTEREST AT 4% A YEAR.

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
33 October 1, 1998.