

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 687 (Prince George's County Delegation and Montgomery County Delegation)

Commerce and Government Matters

Maryland-National Capital Park and Planning Commission - Prince George's County - Stadium Naming Rights
PG/MC 8-00

This bill allows the county executive of Prince George's County to sell or lease the naming rights of a stadium or arena that is in the county and is: (1) managed or owned by the Maryland-National Capital Park and Planning Commission (M-NCPPC); or (2) located on property managed or owned by the M-NCPPC. Any proceeds from the sale or lease of naming rights must be used for teacher recruitment and retention in the Prince George's County school system.

Fiscal Summary

State Effect: The bill would not directly affect State finances.

Local Effect: Potential significant increase in revenues for Prince George's County.

Small Business Effect: None.

Analysis

Current Law: The M-NCPPC may grant privileges, permits, and/or concessions, and/or enter into contracts with any responsible individual, partnership, or corporation to engage in any business or enterprise within the M-NCPPC's jurisdiction.

Local Revenues: Three facilities fall under the provisions of this proposed legislation:

USAir Arena; Prince George's Stadium (home of the Bowie Baysox minor league baseball team); and Showplace Arena (a facility primarily used for equestrian events). USAir Arena is privately owned, but sits on land owned by M-NCPPC. The owner currently has a contract for the name of the stadium. Presumably, the proposed legislation would not override the terms of that contract. However, once the contract expires, the legislation would allow the county to lease the name of the arena and to receive the related revenues. The current value of the naming rights in this case is in question. There are no major sport franchises that play at the arena. Additionally, there have been proposals to convert the arena into a shopping and office facility. However, should a major sport team return to the facility, the revenues associated with the name could be significant.

The M-NCPPC owns both the facilities and the land on which the Prince George's Stadium and the Showplace Arena sit. While the M-NCPPC advises that it has no plans to sell the naming rights to either arena, it estimates that it could sell the name to the Prince George's Stadium for \$1 million over ten years. This estimate is based on the location, size, and use of the facility. As a point of reference, the name of Harry Grove Stadium in Frederick County was sold for a one-time contribution of \$250,000. It is assumed that revenues from Prince George's Stadium would be greater because the stadium is in a larger metropolitan area and the team which plays in the stadium is in a more advanced league. If M-NCPPC sold the rights to Prince George's Stadium, as it could under current law, a portion of its revenues would go to the owner of the team based on the current concessions contract between M-NCPPC and the owner. It is unclear how the proposed legislation would affect this contractual relationship.

It is not expected that the name of Showplace Arena would be sold by the county to a corporate sponsor. It is primarily used for equestrian and other local events and it is unlikely to have the widespread appeal required for interest in the name.

Any revenues resulting from the proposed legislation must be used for teacher recruitment and retention within Prince George's County. The Prince George's County public school system's fiscal 2000 operating budget totals \$931 million. Of this amount, \$7.7 million is for staff development and \$3 million for teacher mentoring programs. Funding under these programs support various teacher development activities including coordinating the certification program for provisional teachers, implementing the Beginning Teacher Assistance Program, and developing and maintaining a professional resource center for teachers and administrators. In addition, the county's school budget includes \$4.2 million for personnel services which funds recruitment, certification, evaluations, maintenance of teacher records, and administration of disciplinary actions.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Montgomery County, Prince George's County, Maryland-National Capital Park and Planning Commission, Department of Legislative Services

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