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ENGROSSED HOUSE BILL 2977

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State of Washington

52nd Legislature

1992 Regular Session

By Representatives Appelwick, Padden, Hargrove, Van Luven, Riley, Schmidt, Jacobsen, Paris, Heavey, Brough, Rasmussen, R. King, Leonard, G. Fisher, May, Ludwig, Anderson, Peery, H. Myers, Neher, Horn, Fuhrman, Betrozoff, Tate, Vance, Ballard, P. Johnson, Wang, Ferguson and J. Kohl

Read first time 02/07/92. Referred to Committee on Revenue.

1 AN ACT Relating to wrongful removal of a professional sports  
2 franchise; adding new sections to chapter 4.24 RCW; creating a new  
3 section; prescribing penalties; and declaring an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that:

6 (1) Professional sports franchises are unique economic entities  
7 and, though privately owned, have great public value.

8 (2) Awarding a professional sports franchise vests rights and  
9 economic benefits in the state and in political subdivisions of the  
10 state.

11 (3) Removal of a professional sports franchise from a state causes  
12 economic damages to the state and its political subdivisions.

1       Therefore, it is vital to protect the state and its political  
2 subdivisions from economic loss from wrongful removal of a professional  
3 sports franchise.

4       NEW SECTION.   **Sec. 2.**       The state and its political subdivisions  
5 shall have a cause of action for economic damages against any person,  
6 corporation, state, or other entity responsible for a decision or  
7 action, or inaction, resulting in the wrongful removal of a  
8 professional sports franchise from this state.

9       NEW SECTION.   **Sec. 3.**       The removal of a professional sports  
10 franchise is wrongful upon the occurrence of any one or more of the  
11 following elements:

12       (1) The removal occurs after the rejection of a purchaser on the  
13 basis of residence, race, color, creed, or nationality;

14       (2) The removal is a violation of the Washington state franchise  
15 act;

16       (3) The removal results in a violation of any contract or lease  
17 between the franchise and an entity of government; or

18       (4) Other circumstances amounting to bad faith.

19       NEW SECTION.   **Sec. 4.**       The measure of damages to the state or  
20 its political subdivisions shall be the loss of direct or indirect tax  
21 revenues as demonstrated by normal revenue forecast procedures, expert  
22 analysis, or historic collections for a period of six years from the  
23 date the franchise is removed from the state. The court may award  
24 punitive damages upon finding that the defendant's actions giving rise  
25 to the liability were taken in bad faith. The court shall award the  
26 prevailing party reasonable attorneys' fees and costs.

1        NEW SECTION.    **Sec. 5.**        The legislature finds that any  
2 professional sports league granting a franchise in this state is doing  
3 business in this state and that the league and its member owners,  
4 commissioners, and officers have submitted to jurisdiction in the state  
5 courts of the state of Washington.

6        NEW SECTION.    **Sec. 6.**        Venue for litigation of professional  
7 sports franchise issues shall be the county in which the primary home  
8 facility of the franchise team is located.

9        NEW SECTION.    **Sec. 7.**        If more than one person is found liable  
10 on a claim under section 2 of this act, the liability of such persons  
11 shall be joint and several.

12       NEW SECTION.    **Sec. 8.**        Sections 1 through 7 of this act are  
13 each added to chapter 4.24 RCW.

14       NEW SECTION.    **Sec. 9.**        This act shall apply to all actions  
15 taken on or after the effective date of this act that give rise to an  
16 action under section 2 of this act.

17       NEW SECTION.    **Sec. 10.**       This act is necessary for the immediate  
18 preservation of the public peace, health, or safety, or support of the  
19 state government and its existing public institutions, and shall take  
20 effect immediately.