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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 when attendance at home games has increased  
13 for two or more consecutive years prior to removal;

14       (2) The removal occurs when attendance is within ten percent of  
15 capacity of the facility where the events are played;

16       (3) The removal occurs when attendance at home games is in the top  
17 fifty percent of the league of which the franchise is a member;

18       (4) The removal occurs when gross revenue for the franchise has  
19 increased for two or more consecutive years prior to removal;

20       (5) The removal occurs after the rejection of a purchaser on the  
21 basis of residence, race, color, creed, or nationality;

22       (6) The removal results in a violation of any contract or lease  
23 between the franchise and an entity of government; or

24       (7) Other circumstances amounting to bad faith.

25       NEW SECTION.   **Sec. 4.**       The measure of damages to the state or  
26 its political subdivisions shall be the loss of direct or indirect tax  
27 revenues as demonstrated by normal revenue forecast procedures, expert

1 analysis, or historic collections for a period of six years from the  
2 date the franchise is removed from the state. The court may award  
3 punitive damages upon finding that the defendant's actions giving rise  
4 to the liability were taken in bad faith. The court shall award the  
5 prevailing party reasonable attorneys' fees and costs.

6 NEW SECTION. **Sec. 5.** The legislature finds that any  
7 professional sports league granting a franchise in this state is doing  
8 business in this state and that the league and its member owners,  
9 employees, and agents have submitted to jurisdiction in the state  
10 courts of the state of Washington.

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

14 NEW SECTION. **Sec. 7.** Liability under section 2 of this act  
15 shall be joint and several among all defendants.

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

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

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