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Save the Crew!

The Tax Cuts and Jobs Act, as introduced in the House of Representatives on November 2, 2017, would have prohibited the issuance after that date of tax-exempt bonds to finance a professional sports stadium. The Tax Cuts and Jobs Act, as enacted, did not contain this prohibition.

Even if it had, it would likely not have ended the financial assistance that state and local governments lavish upon top-level professional sports franchises to keep those franchises in their current cities or to induce them to relocate. Major League Baseball, Major League Soccer, the National Basketball Association, the National Football League, and the National Hockey League each hold a monopoly in the United States on the allocation of top-level professional franchises in their respective sports. As long as these monopolies exist, state and local governments will afford the leagues financial assistance to claim one of the artificially limited number of franchises, regardless of whether tax-exempt bonds can be used to finance the stadiums in which the franchises play.

Is there anything state and local governments can do to ensure that one of these franchises, after having received public benefits and financial assistance, will not relocate? Read on after the jump.

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By Michael Cullers on May 20, 2018

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