



Stadium Proposal is Unfair to Taxpayers

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By: *Timothy B. Lee*

Should Kansas City's taxpayers pay for the renovation of the Truman Sports Center? Advocates for the proposal offer two major reasons for doing so. They say it will spur economic growth in the Kansas City area. And it's suggested that if the proposal isn't approved, the Chiefs and the Royals will move their teams to another city that's more willing to offer them handouts.

Do stadiums really create economic development? It's a refrain that's heard all across the country when sports teams seek subsidies for their stadiums. Unfortunately, it isn't true.

Supporters like to focus on the new economic activity that inevitably occurs around the stadium. But they forget that a new or renovated stadium is in competition with a region's existing restaurants and entertainment venues. Although the bars and restaurants immediately adjacent to the stadium may benefit from the new facility, that additional business may be drained away from other parts of the city.

Moreover, when touting the economic benefits of a new stadium, supporters rarely take

into account the job losses inflicted by new taxes. When a new stadium is financed by tax dollars, every dollar taxed away to finance the stadium is a dollar that would otherwise have been spent by a private individual or business elsewhere in the economy.

Indeed, the evidence bears that out. The Cato Institute published a study in 2004 that examines the impact of new and renovated stadiums across the country. On average, they found that a new stadium project has a negative impact on the economic performance of the surrounding metropolitan area.

So the benefits of stadium subsidies to taxpayers are debatable at best. What's indisputable is that the tax would be a windfall for the owners of the Chiefs and the Royals, who have spent hundreds of thousands of dollars promoting the proposal. Most private businesses are required to spend their own money if they want to upgrade their facilities. It's hard to see why sports teams should be any different. It's true that sports teams generate new jobs and tax revenues for the state, but so does every other successful business. There's no reason to single out professional sports for special treatment.

In addition to touting the economic benefits, supporters of the stadium tax suggest that if the referendum fails, the Royals and the Chiefs will leave for another city that's more willing to offer handouts. Sports teams have become adept at playing cities against each other, using the threat of relocation as a means of extracting ever-larger handouts from cities.

That's a shame. Kansas City's sports fans are known for being among the most loyal in the country, sticking to their teams through thick and thin. It's disappointing to see that their loyalty is not being reciprocated by the teams they love. The proposed stadium renovation is a bad deal for taxpayers, but more importantly, it's unfair to fans. It's not right for the Royals and the Chiefs to use their fans' love to line their own pockets.

Timothy B. Lee is an editor at the Show-Me Institute.

About the Author



Timothy Lee

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Show-Me Institute

5297 Washington Place	3645 Troost Avenue
Saint Louis, MO 63108	Kansas City, MO 64109
Phone: (314) 454-0647	Phone: (816) 287-0370
Fax: (314) 454-0667	

Email: info@showmeinstitute.org

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