



# TESTIMONY

June 3, 2025

## THE SHOW-ME SPORTS INVESTMENT ACT

*By Patrick Tuohey*

Testimony Before the Senate Fiscal Oversight Committee

### TO THE HONORABLE MEMBERS OF THE COMMITTEE

Ladies and gentlemen of the committee, thank you for the opportunity to testify today. My name is Patrick Tuohey, and I am a senior fellow at the Show-Me Institute, a nonprofit, nonpartisan Missouri-based think tank that supports free-market solutions for state policy. The ideas presented here are my own. This testimony is intended to summarize research that the Show-Me Institute has conducted and reviewed regarding the proposed “Show-Me Sports Investment Act,” which would:

- Authorize state-issued bonds and transferable tax credits covering as much as half of project costs, capped at roughly \$50 million per year
- Apply to stadium projects of at least \$500 million and 30,000 seats
- Pledge future state tax receipts for up to 30 years to retire the debt

### Independent Research Shows Stadiums Do Not Spur Broad Economic Growth

Robust literature finds little to no net gain in metro-area jobs, income, or tax revenue after stadium construction. A Federal Reserve Bank of St. Louis review notes that 83 percent of surveyed economists agree stadium subsidies cost taxpayers more than any local benefits.<sup>1</sup> A 2023 survey article in the *Journal of Policy Analysis & Management* reached the same conclusion after summarizing dozens of modern empirical studies.<sup>2</sup> The academic debate is effectively settled: Publicly financed stadiums are poor development bets.

### Opportunity Costs Are Significant

Every public dollar promised to a stadium is a dollar not available for urgent statewide needs—from tornado recovery to roads and schools. Redirecting future general-revenue streams to a single entertainment venue violates a core budget principle: Scarce funds should flow to the highest-value uses.

ADVANCING LIBERTY WITH RESPONSIBILITY  
BY PROMOTING MARKET SOLUTIONS  
FOR MISSOURI PUBLIC POLICY

## Kansas's Tentative Offer Is Neither Final nor Superior

Kansas lawmakers have discussed using STAR bonds to finance up to 70 percent of stadium costs, but enabling legislation, site details, and repayment sources remain unresolved. In other words, Missouri is not competing against a signed term sheet. Meanwhile, the Royals have missed many self-imposed deadlines for releasing site plans, engineering studies, and private-capital commitments. (See table below.) The General Assembly should not legislate under a June 30 countdown clock set by those seeking taxpayer-funded subsidies.

## Voters Are Skeptical

Last April, Jackson County voters rejected a 38-cent sales-tax extension for the Royals and Chiefs by nearly a 58%–42% margin. Rushing a statewide subsidy after that verdict risks overriding local preferences and eroding public trust.

## A Better Playbook

1. Let private capital lead. Forbes values the two franchises at roughly \$6 billion combined.
2. Facilitate, don't finance. Streamline permitting and infrastructure approvals instead of writing checks.
3. Guarantee transparency. If public assistance is ever considered, mandate an independent cost–benefit analysis and a public vote.

## CONCLUSION

The Show-Me Sports Investment Act would socialize risk while privatizing reward. Research spanning three decades shows these deals fail to deliver promised growth. I respectfully urge the committee to reject the bill as it currently stands.

Thank you for your consideration. I am pleased to answer questions.

## NOTES

1. Scott A. Wolla, “The Economics of Subsidizing Sports Stadiums,” Federal Reserve Bank of St. Louis, Page One Economics, May 1 2017.
2. John C. Bradbury, Dennis Coates, and Brad R. Humphreys, “Public policy toward professional sports stadiums: A review,” *Journal of Policy Analysis & Management*. (2023).

## THE ROYALS' HISTORY OF MISSING THEIR OWN DEADLINES (DON'T LET THEM SET A DEADLINE FOR THE MISSOURI LEGISLATURE)

DEADLINE THE ROYALS ANNOUNCED	WHAT THEY SAID WOULD HAPPEN	WHAT ACTUALLY HAPPENED	SOURCES
Late September 2023—final site selection (pledged in owner John Sherman's second open letter on 25 July 2023)	Club promised to narrow two finalist sites to one within 60 days so voters and local officials could see a concrete plan.	By 20 September 2023 the Royals told reporters they would miss the target and had “no new projected timetable” for a decision.	Royals Review: <a href="https://tinyurl.com/4s38a6n2">https://tinyurl.com/4s38a6n2</a> Front Office Sports: <a href="https://tinyurl.com/wsdwr3rv">https://tinyurl.com/wsdwr3rv</a>
End-of-September 2023—site decision & lease outline (re-stated repeatedly during August rollout of ballpark renderings)	Team said a finalized location and draft lease would accompany the September reveal.	September passed with no decision; both Jackson and Clay County negotiations were still unresolved into October.	Ballpark Digest: <a href="https://tinyurl.com/rzamzdxs">https://tinyurl.com/rzamzdxs</a> AP News: <a href="https://tinyurl.com/4jtu4reu">https://tinyurl.com/4jtu4reu</a>
Before Jackson County's 23 January 2024 ballot-submission deadline—pick site and finish lease/CBA so a sales-tax extension could go to voters	Royals told county legislators they were “on track” to lock in site and agreements in time for an April vote.	On 8 January 2024, KCUR noted the Royals “have yet to choose a final site,” and the measure was later vetoed over the missing details.	KCUR: <a href="https://tinyurl.com/j8aadb2d">https://tinyurl.com/j8aadb2d</a>
Unspecified “prior to February 2024 early voting”—publish full site plan and supporting documents	Sherman said fans would have “all the information” well ahead of early-voting (Feb. 16) and a Feb. 29 contractual date.	Despite announcing a different Crossroads location on 13 February 2024, renderings, traffic studies, land-control agreements, and community-benefits terms were still incomplete when voters rejected the tax on 2 April 2024; the AP noted that the earlier self-imposed deadline had already lapsed.	MLB.com: <a href="https://tinyurl.com/4n7fep6e">https://tinyurl.com/4n7fep6e</a> Spectrum News: <a href="https://tinyurl.com/ykeyy4j3">https://tinyurl.com/ykeyy4j3</a>



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