



AGENDA REPORT



TO: Honorable Mayor & City Council

FROM: Mayor Sheng Thao

Councilmember Rebecca
Kaplan, At-Large

SUBJECT: Support Federal “Moneyball Act”

DATE: June 22, 2023

RECOMMENDATION

Mayor Sheng Thao And Councilmember Rebecca Kaplan Recommend That The City Council

Adopt A Resolution Supporting Congressmembers Barbara Lee And Mark Desaulnier, “Moneyball Act,” Legislation That Would 1) Require Any Professional Baseball Club That Relocates More Than Twenty-Five Miles From Its Previous Location To Compensate The State And Local Authorities They Relocate From; And 2) Subject Major League Baseball To Antitrust Laws Should Clubs Not Comply

EXECUTIVE SUMMARY

Representatives Barbara Lee (CA-12) and Mark DeSaulnier (CA-10) have introduced the “Moneyball Act” in response to the active efforts of the A’s to relocate to Las Vegas, and this resolution extends the City’s support for this legislation. The Moneyball Act would require professional baseball clubs seeking to relocate to compensate the state and local authorities they move away from. It would also subject Major League Baseball to antitrust laws if clubs fail to comply with the compensation requirement.

Given that the Oakland Athletics (A’s) have been an integral part of the City of Oakland for over 50 years, forging a deep and enduring relationship with the community, it is necessary to protect the interests and economic well-being of Oakland in the event of the A’s potential relocation.

BACKGROUND / LEGISLATIVE HISTORY

The Moneyball Act, introduced by Representatives Barbara Lee and Mark DeSaulnier, is proposed federal legislation that addresses the issue of professional baseball club relocations and their impact on communities.

The Moneyball Act stems from the unique antitrust exemption Major League Baseball (MLB) enjoys. The Supreme Court in *Federal Baseball Club V. National League*, 259 U.S. 200 (1922) established this exemption over a century ago. In this case, the Supreme Court rules that professional baseball is not considered interstate commerce and therefore is not subject to federal antitrust laws.

The court’s decision was based on the understanding that baseball is primarily a local sport and not involved in interstate commerce in the same way as other industries. The court emphasized the historical and cultural aspects of the game, considering it an exhibition rather than a business engaged in commerce.

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The ruling stated that the business of baseball is not subject to the Sherman Antitrust Act because it did not involve interstate trade or commerce.

The Sherman Antitrust Act is a landmark federal law in the United States designed to regulate and prevent anti-competitive business practices and maintain fair competition in the marketplace. Under the Sherman Act, certain activities such as agreements or conspiracies that restrain trade and monopolize a market are prohibited.

After the Athletics (A’s) announced relocation to Las Vegas, concerns have arisen regarding the potential abuse of this antitrust exemption. The relocation of clubs to new cities can sever the bonds established between franchises and their communities, leading to adverse economic effects and loss of revenue, jobs, and commerce for the former host communities. The Moneyball Act seeks to address these concerns by establishing provisions for fair compensation to state and local authorities that suffer from the relocation of professional baseball clubs.

ANALYSIS AND POLICY ALTERNATIVES

The potential incentivization of professional baseball clubs to leave their home cities and relocate to other markets raises questions about the continued validity of the legal and public policy bases for Major League Baseball’s antitrust exemption.

The antitrust exemption granted to Major League Baseball is a direct result of the unique value that individual teams bring to their communities, and the City Council reaffirms that breaking these bonds jeopardizes the legal and public policy basis for such exemption. Mayor Thao and Councilmember Kaplan applaud Representatives Lee and DeSaulnier for protecting the interests of communities like Oakland and other communities across the country facing challenges combating corporate greed in sports. The Moneyball Act will rectify Oakland’s current situation by ensuring fair compensation as a result of losing revenue, jobs, and commerce should the A’s relocate.

FISCAL IMPACT

While there is no direct fiscal impact with the passage of this resolution, should the Moneyball Act pass, the A’s would be required to fairly compensate the City of Oakland for the loss of revenue, jobs, and commerce resulting from a professional baseball club’s relocation. If the A’s were to relocate, the City would be entitled to compensation based on local tax revenue levied in the 10 years prior to relocation.

PUBLIC OUTREACH / INTEREST

Mayor Thao and Councilmember Kaplan have reached out to various stakeholders.

COORDINATION

Mayor Thao and Councilmember Kaplan have engaged directly with Congressman Lee in Federal, State, and Local coordination regarding the Oakland Coliseum, the A’s, and this legislation. This resolution has also been reviewed as to form and legality by the City Attorney’s Office.

SUSTAINABLE OPPORTUNITIES

Economic: The “Moneyball Act” protects Oakland from the short-term impact of the Oakland A’s not being shielded by Antitrust laws and having to pay the City of Oakland upon its departure is important to note. Further, the Major League Baseball antitrust exemption allows them to economically abuse the local economy without consequence.

Environmental: There are no environmental impacts to this resolution.

Race & Equity: As exemplified in the relocation of the A’s, which was supported and encouraged by Major League Baseball, there are deep race and inequitable impacts on the local community, especially the East Oakland community. There will be the loss of jobs and the devitalization of what was formerly a vital sports hub several nights of the summer.

ACTION REQUESTED OF THE CITY COUNCIL

Mayor Sheng Thao and Councilmember Rebecca Kaplan Recommend That the City Council

Adopt A Resolution Supporting Congressmember Barbara Lee And Congressmember Mark DeSaulnier, “Moneyball Act,” Legislation That Would 1) Require Any Professional Baseball Club That Relocates More Than Twenty-Five Miles From Its Previous Location To Compensate The State And Local Authorities They Relocate From; And 2) Subject Major League Baseball To Anti-Trust Laws Should Clubs Not Comply

For questions regarding this report, please contact Kimberly Jones, Chief of Staff, at 510-238-7081.

Respectfully submitted,

Councilmember Rebecca Kaplan
District Office At Large

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