Congressional Research Service
Informing the legislative debate since 1914

Sports Legislation in the 106th Congress

January 29, 2003

Congressional Research Service
https://crsreports.congress.gov
RS20201

CRS REPORT
Prepared for Members and
Committees of Congress

Sports Legislation in the 106th Congress

Gary L. Galemore
Analyst in American National Government
Government and Finance Division

Summary

Over the past few decades, Congress and other federal agencies have given greater attention to public policy issues associated with amateur and professional sports in the United States. Congress has focused on sports in the context of other public policy issues: antitrust, labor relations, immigration, gambling and other criminal behavior, player and fan violence, broadcasting and cable issues, taxation, drug abuse and testing, federal spending relative to the conduct of U.S. held Olympic Games, sports franchise relocations, legal and illegal gambling, and equal access for women to sports programs at educational institutions.

This report identifies legislation introduced during the 106th Congress that would directly affect either amateur or professional sports in the United States. This legislation is grouped by policy issue. Additional issue categories and legislation will be added as appropriate during the 106th Congress. For related reading, see CRS Report RS20880, *Sports Legislation in the 107th Congress*; CRS Report RS20460, *Title IX and Gender Bias in Sports: Frequently asked Questions*; and CRS Report RS20710, *Title IX and Sex Discrimination in Education: An Overview*.

Background

The history of professional and amateur sports in the United States is replete with legal battles, congressional investigations, and regulatory and legislative actions. The perception that sports is a "public trust," and must be protected, has resulted in Congress's implementing public policy with the underlying objective of guaranteeing the public fair access to sports. Congressional and other governmental action over the last three decades has had several public policy objectives. It has promoted parity in competition, attempted to reduce racial and gender discrimination, facilitated spectator access through television, and diminished athlete exploitation. In general, it could be said that Congresses prior to 1960 assumed the role of sports facilitator, rather than the more modern role of sports regulator, often content to let amateur and professional sports regulatory bodies monitor and correct problems within their sports.

After 1960, dramatic growth, both monetary and in popularity, of the sports industry (television played a huge role in that process) and conflicts within the sports industry

served to draw greater congressional attention, often at the request of the sports industry itself. The advent of televised broadcasting of sports events and the ever greater economic returns on sports activities combined to make sports, and its problems (like player strikes and team relocations) more visible to the public and government officials. The inability or unwillingness of major sports organizations to regulate and manage their own affairs properly was also coming into question. The public image of sports as recreation and diversion was giving way to one of sports as big business.

The clash of these two different images of the sports industry became apparent with the establishment of the House Select Committee on Professional Sports in 1976. The select committee was charged with conducting an investigation into all aspects of professional sports for the express purpose of determining the need for legislation or other forms of government intervention. All of the major professional sports were investigated. Congressional intervention, it was determined, might be required to reduce the detrimental impact of money on the intrinsic value of athlete competition. During this same period, amateur athletics also came under increased scrutiny. President Gerald R. Ford, with Executive Order 11868 of June 19, 1975, created the President's Commission on Olympic Sports. This panel was charged with investigating the conduct and supervision of Olympic sports, and contributed to the development of the Amateur Sports Act of 1978. This Act restructured the United States Olympic Committee to lessen the ongoing conflict among various U.S. amateur sports organizations. The investigation was considered necessary because the conflict within the amateur sports industry was detrimental to American Olympic efforts. Congress had passed Title IX of the Education Amendments of 1972 to prohibit discrimination on the basis of sex in educational programs or activities receiving federal funding. Although Title IX was not aimed specifically at sports, it has become instrumental in promoting sports equality for female athletes at high schools and colleges around the nation. It continues to be a controversial and highly debated law.

The executive branch has also been active in making sports policy. The Federal Communications Commission, the National Labor Relations Board, the Department of Labor, the Immigration and Naturalization Service, the Justice Department, and other federal agencies have all played key roles in amateur and professional sports issues over the last 30 years.

Those who seek the intervention of Congress, the executive branch, or the courts, in the problems of amateur and professional sports do so because private sports organizations that control sports enterprises are sometime perceived, either properly or improperly, as unable or unwilling to protect the public interest in these matters. In no small way, the tremendous growth in the monetary value of professional sports teams (to owners and local communities), rising player salaries and more effective player unions, escalating television and cable revenues and increasing competition for limited sports programing, demands for gender and racial equity, and taxpayer investments in stadiums and U.S. held Olympic Games have only raised the level of, and potential for, conflict in the sports world. Congress and other government institutions now find themselves playing the roles of regulators, arbiters, facilitators, sports reformers, and guardians of the public trust. Because of the ongoing popularity of sporting events, the potential for great monetary rewards, and conflict among the many competing actors in the sports industry, congressional interest, oversight, and intervention in matters concerning the sports industry seem unlikely to diminish.

Sports Legislation in the 106th Congress

Immigration. *S. 262—The Baseball Diplomacy Act.* Introduced by Representative Jose E. Serrano on January 6, 1999, this legislation would waive current foreign assistance, trade, and travel prohibitions against Cuba and allow Cuban nationals who enter the United States on visas to play organized baseball and return to Cuba with their baseball earnings. It would prohibit the President from denying visas to Cuban nationals based on current authority under the Immigration and Nationality Act, which restricts any entry of aliens or classes of aliens who would be detrimental to the interests of the United States. The proposed legislation indicates its provisions would not be affected by the current economic embargo requirements against Cuba, under the Cuban Liberty and Democratic Solidarity Act of 1996. The bill has been referred to the House Committee on International Relations and the Committee on the Judiciary (Subcommittee on Immigration and Claims).

Boxing. *S. 143—The Professional Boxing Safety Act Amendments of 1999.* Introduced by Senator Daniel Patrick Moynihan on January 19, 1999, this legislation would amend the Professional Boxing Safety Act of 1996 to standardize the physical examinations that a professional boxer must take prior to each boxing match. It would also require a brain computerized axial tomography (CAT) scan every two years as a requirement for the licensing of a boxer. The bill has been referred to the Senate Committee on Commerce, Science, and Transportation.

S. 305—The Muhammad Ali Boxing Reform Act. Introduced by Senator John McCain on January 25, 1999, this legislation would protect professional boxers from exploitation by requiring that all contracts between boxers and promoters contain specific terms regarding the length of time the contract covers and the minimum number of fights per year, limiting "option contracts" to one year, prohibiting a promoter from forcing a boxer to hire the promoter's associates or relatives, and prohibiting any conflicts of interest between the manager of a boxer and the promoter.

This legislation would require professional boxing sanctioning organizations to establish objective and consistent criteria for rating professional boxers; make public their bylaws, ratings criteria, and roster of officials; inform boxers in writing that their rating has been changed and why; and report to a state boxing commission the fees and expenses they receive for sanctioning a bout. Fees would be limited to established sanctioning fees and expenses.

The bill also would require that state boxing regulatory commissions be informed by boxing sanctioning bodies of all charges and fees they impose on the boxer(s) competing in an event, as well as all payments and revenues the sanctioning body receives. Promoters affiliated with each boxing event would have to file, with the state commission prior to the event, a complete and accurate copy of all contracts they have with the boxer(s) pertaining to an event, and disclose in writing all fees and costs they will assess on the boxer(s). The legislation would exempt club level boxing (less than 10 rounds) matches. The changes brought about by this legislation would be enforced through civil and criminal penalties and would allow additional enforcement by state Attorneys General. This bill has been referred to the Senate Committee on Commerce, Science, and Transportation.

H.R. 1240—Professional Boxing Integrity Act. Introduced by Representative James A. Traficant on March 23, 1999, this legislation would amend the Professional Boxing Safety Act of 1996 to prohibit the promotion of any professional boxing match held in any state that does not require that scoring by boxing judges be made public after each round. The bill has been referred to the House Committee on Commerce (Subcommittee on Telecommunications, Trade, and Consumer Protection) and to the Committee on Education and the Workforce (Subcommittee on Workforce Protections).

H.R. 1832—The Muhammad Ali Boxing Reform Act. Introduced by Representative Michael G. Oxley on May 17, 1999, this legislation would protect professional boxers from exploitation by requiring that all contracts between boxers and promoters contain specific terms regarding the length of time the contract covers and the minimum number of fights per year, limiting "options contracts" to one year, prohibiting a promoter from forcing a boxer to hire the promoter's associates or relatives, and prohibiting any conflicts of interest between the manager of a boxer and the promoter. This legislation is the House version of the Senate bill, S.305, introduced by Senator McCain, and explained in greater detail above . This bill has been referred to the House Committee on Commerce and to the Committee on Education and the Workforce.

Antitrust. *H.R. 532—The Give Fans a Chance Act of 1999.* Introduced by Representative Earl Blumenauer on February 3, 1999, this legislation would limit the antitrust exemption applicable to broadcasting agreements made by professional sports leagues. It would make such exemption inapplicable to a league for any period during which any member club is (1) subject to such league's requirement, or to an agreement made by two or more member clubs, that forbids any of such clubs to transfer an ownership interest in such club to any government entity or to members of the general public; or (2) not in compliance with specified requirements.

The legislation would require a member club or a league to furnish notice of a proposed relocation of a club out of a community in the club's home territory not later than 180 days before the commencement of the season in which the club is to play home games in the proposed new location, subject to specified requirements. It would provide that, during the 180-day notice period, a local government, stadium, arena authority, person, or any combination thereof may prepare and present a proposal to purchase the club to retain the club in the home community; and would require the club and/or the league to give a local government, stadium authority, person, or any combination thereof the opportunity to prepare and present a proposal to induce the club to remain in its home community.

The bill also would direct the league to make a determination, before the expiration of the 180-day notice period, with respect to the relocation, and would provide for hearings and consideration of the proposal. In addition, the bill would set criteria for relocation decisions to include the extent to which fan loyalty and support for the club has been demonstrated. This legislation has been referred to the House Committee on the Judiciary.

S. 952—To Expand Antitrust Exemptions to Sports Leagues Who Assist in Financing Stadium Construction. Introduced by Senator Arlen Specter on May 4, 1999, this legislation would expand the antitrust exemption to professional sports leagues for their

participation in the financing of certain stadium construction activities. This legislation has been referred to the Senate Committee on the Judiciary.

Taxation. *S. 224—The Stop Tax-Exempt Arena Debt Issuance Act.* Introduced by Senator Daniel Patrick Moynihan on January 19, 1999, this legislation would amend the Internal Revenue Code to treat certain bonds used directly or indirectly for financing professional sports facilities as private bonds and not as qualified bonds, except for certain approved projects, facilities with final bond resolution, and current refunding. This legislation has been referred to the Senate Committee on Finance.

H.R. 3096—Stop Tax-Exempt Arena Debt Insurance Act. Introduced by Representative Marshall Sanford on October 18, 1999, this legislation amends the Internal Revenue Code to treat certain bonds used directly or indirectly for financing professional sports facilities as private activity bonds and not as qualified bonds, except for certain approved projects, facilities with final bond resolutions, and current refunding. This legislation has been referred to the House Committee on Ways and Means.

S. 952—Stadium Financing and Franchise Relocation Act of 1999. Introduced by Senator Arlen Specter on May 4, 1999, this legislation expands an antitrust exemption applicable to professional sports leagues and to require, as a condition, participation by professional football and major league baseball sports leagues in financing and construction of sports stadiums. This bill was referred to the Senate committee on the Judiciary.

Olympic Reform. *H.R. 1370—The International Olympic Committee Reform Act of 1999.* Introduced by Representative Henry A. Waxman on April 12, 1999, this legislation would amend the Foreign Corrupt Practices Act of 1977 to prevent persons doing business in interstate commerce from providing financial support to the International Olympic Committee (IOC) until the IOC adopts institutional reforms which would ensure that future Olympic games are awarded to host cities in an impartial manner. This legislation has been referred to the House Committee on Commerce.

S. 797—The International Olympic Committee Integrity Act of 1999. Introduced by Senator John Ashcroft on April 14, 1999, this legislation would apply the Corrupt Practices Act of 1977 to the activities of the International Olympic Committee. The bill has been referred to the Senate Committee on Banking, Housing, and Urban Affairs.

S. 803—To Make the International Olympic Committee Subject to the Foreign Corrupt Practices Act of 1977. Introduced by Senator John McCain on April 14, 1999, this legislation would make the International Olympic Committee subject to the Foreign Corrupt Practices Act of 1977. The bill has been referred to the Senate Committee on Banking, Housing, and Urban Affairs.

Student Athletes. *H.R. 1449—Collegiate Athletics Integrity Act of 1999.* Introduced by Representative Bart Gordon on April 15, 1999, this legislation would amend Title 18 of the United States Code to prohibit various types of contact between college athletes and sports agents seeking influence with athletes. The bill has been referred to the House Committee on the Judiciary.

Gambling. *S. 2021—High School and College Sports Gambling Prohibition Act.* Introduced by Senator Sam Brownback on February 1, 2000, this legislation would prohibit gambling on high school, college, and Olympic sports, including in states where such gambling was permitted prior to 1991. This bill has been referred the Senate Committee on the Judiciary.

S. 2050—Combating Illegal College and University Gambling Act. Introduced by Senator Harry M. Reid on February 9, 2000, this legislation would establish a panel to investigate the scope of illegal gambling on collegiate sports and recommend effective countermeasures to prevent illegal gambling. This legislation is identical to H.R. 3800, introduced in the House of Representatives by Representative Jim Gibbons. This bill has been referred to the Senate Committee on the Judiciary.

H.R. 3800—Combating Illegal College and University Gambling Act. Introduced by Representative Jim Gibbons on March 1, 2000. This legislation would establish a panel to investigate illegal gambling on college sports and to recommend effective countermeasures. This legislation is identical to S. 2050, introduced by Senator Harry M. Reid. This bill has been referred to the House Committee of the Judiciary.

H.R. 3575—Student Athlete Protection Act. Introduced by Representative Lindsey O. Graham on February 3, 2000, this legislation prohibits high school and college sports gambling in all States, including States where such gambling was permitted prior to 1991. This legislation has been referred to the House Committee on the Judiciary.

H.R. 4284—Illegal Sports Betting Enforcement Act of 2000. Introduced by Representative Shelley Berkley on April 13, 2000. This legislation establishes an Amateur Sports Illegal Gambling Task Force, increases penalties for illegal sports gambling and requires studies of the gambling behavior of minors. The bill has been referred to the house Judiciary Committee (Subcommittee on Crime).

Drug Testing and Gambling. *S. 2267—Amateur Sports Integrity Act.* Introduced by Senator John McCain on March 22, 2000, this legislation has been divided into two distinct titles. Title I directs the National Institutes of Standards and Technology to establish and administer grant programs that support research and training in methods aimed at detecting and preventing the use of performance-enhancing substances by athletes. Title II of S. 2267 prohibits gambling on high school, college and Olympic sports, whether that gambling is part of a lottery, sweepstakes, or other betting or wagering scheme. Title II amends the *Ted Stevens Olympic and Amateur Sports Act* (chapter 2205 of Title 36, United State Code), by adding a new chapter to that law. This legislation has been referred to the Senate Committee on Commerce, Science, and Transportation.

S. 2340—Amateur Sports Integrity Act. Introduced by John McCain on April 3, 2000, this legislation requires the Director of the National Institute of Standards and Technology to establish a program to support research into the use of performance enhancing substances and methods for detecting their use. The bill also amends the *Ted Stevens Olympic and Amateur Sports Act* to make it unlawful to gamble on Olympic, High school and college sporting events or their athletes. This legislation was referred to the Senate Commerce, Science, and Transportation Committee.

Author Information

Gary L. Galemore
Analyst in American National Government

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.