

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Revenue by Prior Reference
Vote:	7 - 1 - 0
Yeas:	Bailey, Bentz, Galizio, Gilliam, Holvey, Witt, Read
Nays:	Thatcher
Exc.:	0
Prepared By:	Barbara Allen, Administrator
Meeting Dates:	2/24, 4/14, 4/16, 4/23, 4/28

WHAT THE MEASURE DOES: Expands purpose of Major League Stadium Grant Fund to include financing, developing, constructing and furnishing a major league stadium designed for use by a major league soccer team. Authorizes agreements granting incremental tax revenues for a stadium designed for major league soccer. Prohibits transfer of revenues generated from members of soccer team to Major League Stadium Grant Fund until July 1, 2011. Limits biennial expenditures of Oregon Department of Administrative Services (DAS) for payment of grant to fund construction of a major league soccer stadium. Takes effect on the 91st day following sine die. Sunsets program when bonds are paid off or July 1, 2041, whichever comes first.

ISSUES DISCUSSED:

- Overall financing structure of developing a major league stadium
- Amount of cap on revenues the State will receive as well as the timetable for receipt
- Status of the City of Portland securing a site for both a major league soccer team and a minor league baseball team
- Concern that spouses of members of a soccer team be included in the calculation for tax revenues

EFFECT OF COMMITTEE AMENDMENT: Replaces the measure.

BACKGROUND: Passage of SB 5 in the 2003 legislative session established a framework for the use of construction bonds to cover up to \$150 million of the construction cost of a potential major league baseball park. To fund the project, it authorized use of incremental baseball income tax revenues from home and visiting player salaries and from the salaries of a team's top management to create the Major League Stadium Grant Fund. Grantees take the risk of guaranteeing that the taxes collected over the life of the bonds would cover their expense. Further, the grantee must pay the State the difference if any grant appropriation exceeds the actual incremental baseball tax revenues collected. SB 5 delineated several thresholds to be met before the legislation would become active, including commitment of a major league baseball team to locate in Oregon as well as a time commitment to remain here to pay off the bonds.

HB 2531A applies the Major League Stadium Grant Fund to a major league soccer team locating in Oregon.