

HOUSE AMENDMENTS TO HOUSE BILL 2531

By COMMITTEE ON SUSTAINABILITY AND ECONOMIC DEVELOPMENT

May 5

1 On page 1 of the printed bill, line 3, delete “184.400, 184.402, 184.404, 184.406” and insert
2 “184.408”.

3 Delete lines 6 through 27 and delete pages 2 and 3 and insert:

4 **“SECTION 1. (1) As used in sections 1 to 4 of this 2009 Act:**

5 **“(a) ‘Incremental soccer tax revenues’ means:**

6 **“(A) The Oregon personal income tax revenues that are generated from the Oregon per-**
7 **sonal income tax liabilities of the members of a professional soccer team engaged in Major**
8 **League Soccer, as shown on the income tax returns filed by the members or as adjusted by**
9 **the Department of Revenue, excluding revenues that are generated from the tax liabilities**
10 **of spouses of members of a professional soccer team engaged in Major League Soccer if the**
11 **tax liabilities are reported on a joint return; or**

12 **“(B) If Oregon personal income tax rates are reduced after the dates of the grant**
13 **agreements described in section 3 of this 2009 Act and the grant agreements provide that**
14 **payments will be based on rates in effect when the grant agreements are executed, the**
15 **Oregon personal income tax liabilities, as described in subparagraph (A) of this paragraph,**
16 **that would have been due if the liabilities were calculated using personal income tax rates**
17 **in effect on the date of execution of the grant agreements.**

18 **“(b) ‘Major league stadium’ means a soccer stadium located in the City of Portland that**
19 **is designed for use by a Major League Soccer team and that has an estimated cost of \$30**
20 **million or more.**

21 **“(c) ‘Member of a professional soccer team’ means an athlete or other individual ren-**
22 **dering service to a professional soccer team if the compensation of the athlete or other in-**
23 **dividual exceeds \$40,000 in a tax year.**

24 **“(d) ‘Tax liabilities’ means the tax determined under ORS chapter 316 for the tax year**
25 **less the credits allowed for purposes of ORS chapter 316 for the tax year.**

26 **“(2) The Department of Revenue may adopt administrative rules that the department**
27 **determines are necessary to:**

28 **“(a) Further define the terms defined in this section in a manner consistent with this**
29 **section;**

30 **“(b) Implement the duties of the department under ORS 184.408 and sections 1 to 4 of this**
31 **2009 Act; and**

32 **“(c) Carry out the purposes of ORS 184.408 and sections 1 to 4 of this 2009 Act.**

33 **“SECTION 2. The Legislative Assembly finds and declares that the construction of a**
34 **major league stadium and the location of a Major League Soccer franchise in Portland will**
35 **bring jobs and economic development to Oregon and will benefit Oregon workers and busi-**

1 nesses.

2 **“SECTION 3. (1) The Director of the Oregon Department of Administrative Services, with**
3 **the approval of the State Treasurer, may enter into one or more agreements on behalf of the**
4 **State of Oregon to grant the incremental soccer tax revenues for a period of not more than**
5 **30 years. The grant agreements must:**

6 **“(a) Provide that the granted amounts may be used only to pay for the costs of financing,**
7 **developing, constructing and furnishing a major league stadium;**

8 **“(b) Provide that:**

9 **“(A) The total payments to the grantees are limited so that the grantees do not receive,**
10 **in the aggregate, more than \$15 million for costs of developing, constructing and furnishing**
11 **a major league stadium, plus the actual, reasonable financing costs incurred by the grantees**
12 **for that amount; and**

13 **“(B) If the incremental soccer tax revenues in a year substantially exceed the amount**
14 **reasonably required to amortize a loan of \$15 million over a period of 30 years with interest,**
15 **the excess may be retained by the state;**

16 **“(c) Terminate when:**

17 **“(A) The State of Oregon has made all payments assigned to the state in the grant**
18 **agreements for the costs allowed under this subsection; and**

19 **“(B) The grantees have returned any amounts required to be returned under paragraph**
20 **(i) of this subsection;**

21 **“(d) Require the Director of the Department of Revenue to estimate incremental soccer**
22 **tax revenues, specify the methodology for estimating incremental soccer tax revenues and**
23 **notify the Director of the Oregon Department of Administrative Services of the estimated**
24 **incremental soccer tax revenues;**

25 **“(e) Specify the methodology for determining actual incremental soccer tax revenues;**

26 **“(f) Require the Director of the Oregon Department of Administrative Services to re-**
27 **quest that the Legislative Assembly appropriate an amount equal to the estimated incre-**
28 **mental soccer tax revenues from the General Fund to the Major League Stadium Grant Fund**
29 **established in ORS 184.408 so that those moneys may be disbursed under the grant agree-**
30 **ments authorized by this section;**

31 **“(g) Require the Director of the Department of Revenue to determine the actual incre-**
32 **mental soccer tax revenues and, if the actual incremental soccer tax revenues exceed the**
33 **estimated incremental soccer tax revenues, notify the Director of the Oregon Department**
34 **of Administrative Services of the excess;**

35 **“(h) Require the Director of the Oregon Department of Administrative Services, if noti-**
36 **fied of an excess under paragraph (g) of this subsection, to request that the Legislative As-**
37 **sembly appropriate an amount equal to the excess, adjusted for the limits and retentions**
38 **described in paragraph (b) of this subsection, from the General Fund to the Major League**
39 **Stadium Grant Fund so that those moneys may be disbursed under the grant agreements**
40 **authorized by this section;**

41 **“(i) Require the grantees to return to the Director of the Oregon Department of Ad-**
42 **ministrative Services for deposit in the General Fund amounts transferred to the grantees**
43 **from the Major League Stadium Grant Fund that exceed the actual incremental soccer tax**
44 **revenues;**

45 **“(j) Provide that the amounts requested for appropriations may not be reduced because**

1 of any reduction that may be enacted in Oregon personal income tax rates;

2 “(k) Require the Director of the Oregon Department of Administrative Services to dis-
3 burse amounts in the Major League Stadium Grant Fund to the grantees on particular dates;

4 “(L) Provide assurances of full and fair participation in the construction, furnishing and
5 operation of the major league stadium by women, minorities and small businesses;

6 “(m) Provide for the maximization of economic benefits for Oregon workers in the con-
7 struction, furnishing and operation of the major league stadium to the greatest extent per-
8 mitted by law; and

9 “(n) Require the State of Oregon and the grantees to take any other action that the State
10 Treasurer, the Director of the Oregon Department of Administrative Services or the Direc-
11 tor of the Department of Revenue determines is desirable to ensure that:

12 “(A) The granted funds are used for the purposes described in ORS 184.408 and sections
13 1 to 4 of this 2009 Act;

14 “(B) The grant agreements are administered efficiently and the interests of the State of
15 Oregon are protected; and

16 “(C) The requests for appropriation of amounts equal to the incremental soccer tax re-
17 venues are made as described in sections 1 to 4 of this 2009 Act.

18 “(2) The obligation of the State of Oregon, under ORS 184.408 and sections 1 to 4 of this
19 2009 Act and the grant agreements authorized by this section, to transfer estimated or ac-
20 tual incremental soccer tax revenues to the Major League Stadium Grant Fund is subject to
21 an appropriation being made for that purpose by the Legislative Assembly. The State of
22 Oregon is not liable to any party for any reason if the Legislative Assembly fails to appro-
23 priate all or a portion of the amounts requested under subsection (1)(f) and (h) of this section
24 to the Major League Stadium Grant Fund. However, if the Legislative Assembly does appro-
25 priate amounts for deposit in the Major League Stadium Grant Fund and those amounts are
26 deposited in the Major League Stadium Grant Fund pursuant to the grant agreements au-
27 thorized by this section, the obligation of the State of Oregon to disburse the amounts in the
28 Major League Stadium Grant Fund is unconditional. The grant agreements authorized by this
29 section are not a pledge of the full faith and credit or the taxing power of the State of
30 Oregon, and the State of Oregon does not pledge its full faith and credit or taxing power.
31 The grant agreements do not create an indebtedness of the State of Oregon in violation of
32 section 7, Article XI of the Oregon Constitution. If a provision of a grant agreement is con-
33 strued to have the effect of creating a debt in violation of section 7, Article XI of the Oregon
34 Constitution, the provision is void.

35 “(3) The Legislative Assembly does not have a legal obligation to appropriate any
36 amounts for disbursement under the grant agreements authorized by this section. However,
37 the Legislative Assembly declares its current intention to appropriate amounts equal to the
38 estimated incremental soccer tax revenues and amounts equal to the amount by which the
39 actual incremental soccer tax revenues exceed the estimated incremental soccer tax reven-
40 ues from the General Fund to the Major League Stadium Grant Fund, as provided in ORS
41 184.408 and sections 1 to 4 of this 2009 Act, so that the amounts may be disbursed pursuant
42 to the grant agreements authorized by this section.

43 “(4) Before commencing negotiations on a grant agreement authorized by this section,
44 the Oregon Department of Administrative Services shall obtain one or more agreements
45 from benefited parties to pay the state’s costs associated with negotiating and executing the

1 grant agreement.

2 **“SECTION 4. The Director of the Oregon Department of Administrative Services may**
3 **not execute a grant agreement authorized by section 3 of this 2009 Act until the director has**
4 **determined that:**

5 **“(1) The City of Portland has made a written request to the director to execute and de-**
6 **liver the grant agreement;**

7 **“(2) A Major League Soccer franchise has agreed to locate and be based in Portland and**
8 **has entered into a legally binding commitment to remain in Portland for at least the term**
9 **of the grant agreement;**

10 **“(3) All funding to build the major league stadium that is not based on the grant agree-**
11 **ment has been committed;**

12 **“(4) No grantee is both a public body and a guarantor for the repayment of bonds or**
13 **other indebtedness that is to be repaid through use of grant moneys;**

14 **“(5) The Oregon Department of Administrative Services has provided a written report**
15 **regarding the estimated and actual incremental soccer tax revenues to, and has solicited**
16 **comments from, the advisory committee described in subsection (6) of this section relating**
17 **to the following provisions of the proposed grant agreement:**

18 **“(a) The methodology for estimating the incremental soccer tax revenues;**

19 **“(b) The methodology for determining the actual incremental soccer tax revenues; and**

20 **“(c) The requirement that estimated and actual incremental soccer tax revenues be based**
21 **on the Oregon personal income tax rates in effect when the grant agreement is executed or**
22 **for the period for which the taxes are collected, whichever is greater, even if those rates are**
23 **subsequently reduced; and**

24 **“(6) An advisory committee, consisting of two legislators appointed by the President of**
25 **the Senate, two legislators appointed by the Speaker of the House of Representatives and one**
26 **person appointed by the Governor, has reviewed the provisions of the proposed grant agree-**
27 **ment listed in subsection (5) of this section.**

28 **“SECTION 5. ORS 316.213 is amended to read:**

29 **“316.213. (1) As used in ORS 316.213 to 316.219:**

30 **“(a) ‘Duty days’ means the days during the tax year from the beginning of the official preseason**
31 **training period of a professional athletic team through the last game in which the professional ath-**
32 **letic team competes or is scheduled to compete during the tax year.**

33 **“(b) ‘Member of a professional athletic team’ means an athlete or other individual rendering**
34 **service to a professional athletic team if the compensation of the athlete or other individual**
35 **exceeds:**

36 **“(A) \$50,000 in a tax year; or**

37 **“(B) \$40,000 in a tax year, if the team is engaged in Major League Soccer.**

38 **“(2) The Department of Revenue may further define by rule the terms defined in this section in**
39 **a manner consistent with this section.**

40 **“SECTION 6. ORS 184.408 is amended to read:**

41 **“184.408. The Major League Stadium Grant Fund is established in the State Treasury, separate**
42 **and distinct from the General Fund. Amounts in the fund are continuously appropriated to the**
43 **Oregon Department of Administrative Services for the purpose of making the grants required by the**
44 **grant agreements entered into under ORS 184.404 and section 3 of this 2009 Act and paying the**
45 **costs and expenses of the State Treasurer, the Oregon Department of Administrative Services and**

1 the Department of Revenue in connection with the implementation and administration of ORS
2 184.400 to 184.408 [*and*], 316.213 to 316.219 **and sections 1 to 4 of this 2009 Act**. Interest earned
3 by the Major League Stadium Grant Fund must be credited to the fund.”.

4 On page 4, delete lines 1 through 43.

5 In line 44, delete “6” and insert “7”.

6 On page 5, line 2, delete “ORS 184.404” and insert “section 3 of this 2009 Act”.

7 In line 3, delete “7” and insert “8”.

8 In line 7, delete “184.400”.

9 In line 8, delete “to 184.408 and” and before the period insert “and sections 1 to 4 of this 2009
10 Act”.

11 In line 9, delete “8” and insert “9” and delete “athletic” and insert “soccer”.

12 In line 10, delete “athletic team engaged” and insert “soccer team”.

13 In line 11, delete “in Major League Soccer”.

14 After line 12, insert:

15 **“SECTION 10. Sections 1 to 4 of this 2009 Act are repealed on the earlier of:**

16 **“(1) The date by which all bonds issued for the purpose of financing, developing, con-**
17 **structing and furnishing a soccer stadium as provided in sections 1 to 4 of this 2009 Act have**
18 **been retired; or**

19 **“(2) July 1, 2041.”.**

20 In line 13, delete “9” and insert “11”.

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