

SB 110 -4, -8 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

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Meeting Dates: 3/24, 3/31

WHAT THE MEASURE DOES:

Requires the Legislative Revenue Officer to study the personal income tax system and submit a report to the interim committees of the Legislative Assembly related to revenue no later than December 1, 2026.

ISSUES DISCUSSED:

- Potential team ownership expansion baseball team
- Source of the revenue in question ("incremental baseball tax revenues")
- Potential of two Major League Baseball (MLB) expansion teams
- Implications of deferred payroll contracts
- Amount of funds that could be committed
- Timing of fund commitment
- Potential impact on traffic and access to OHSU
- Potential economic development implications of MLB franchise locating in Portland
- Other potential stadium funding mechanisms / approaches
- Cultural and economic development.

EFFECT OF AMENDMENT:

-4 Replaces content of measure.

Increases aggregate amount of incremental personal income tax baseball revenues that may be granted over a 30-year period by the State of Oregon to be used to pay for the costs of financing, developing, constructing and furnishing a major league baseball stadium in Portland. The current law limit allows up to \$150 million in principal costs, plus the additional costs associated with financing the \$150 million to be granted over the 30-year period. Amendment increases the \$150 million limit to \$800 million and increases the minimum estimated cost of the baseball stadium from \$300 million to \$2 billion. The annual limit on incremental baseball revenues that may be granted is also increased from the amount reasonably required to amortize a loan of \$150 million, to an amount reasonably required to amortize a loan of \$800 million.

-8 Replaces content of measure.

Content of amendment is identical to -4 with one additional change. Increases from \$50,000 to \$100,000, amount of compensation required for an individual to be considered a member of a professional athletic team for purposes of determining incremental baseball tax revenues.

BACKGROUND:

Enacted in 2003, SB 5 allows the Director of the Oregon Department of Administrative Services, with the approval of the State Treasurer, to enter into one or more agreements on behalf of the State of Oregon to grant 30 years worth of incremental state personal income tax baseball revenues for the purpose of building a baseball stadium located in Portland. The incremental state personal income tax baseball revenues are the personal income tax liabilities shown on Oregon income tax returns filed by members of a professional Major League Baseball team playing in Oregon (both home and away teams). Current law limits the total grant payments to no more than \$150 million, plus reasonable financing costs, and requires the baseball stadium to have an estimated cost of \$300 million or more. Measure increases those respective limits/minimums. Under current law, incremental baseball

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tax revenues received in a year that substantially exceed the amount reasonably required to amortize the \$150 million loan are retained by the state of Oregon. Grant agreements may not be authorized until after a Major League Baseball franchise has agreed to locate and be based in Portland and all funding to build the major league stadium that is not based on the grant agreement has been committed.

PRELIMINARY