

SENATE AMENDMENTS TO SENATE BILL 110

By COMMITTEE ON FINANCE AND REVENUE

April 15

1 In line 2 of the printed bill, before the period insert “; amending ORS 184.400 and 184.404”.

2 Delete lines 4 through 8 and insert:

3 “**SECTION 1.** ORS 184.400 is amended to read:

4 “184.400. (1) As used in ORS 184.400 to 184.408:

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

6 “(A) The Oregon personal income tax revenues that are generated from the Oregon personal
7 income tax liabilities shown on the income tax returns filed by the members of a professional ath-
8 letic team engaged in Major League Baseball, including revenues that are generated from the tax
9 liabilities of spouses of members of a professional athletic team engaged in Major League Baseball
10 if the tax liabilities are reported on a joint return; or

11 “(B) If Oregon personal income tax rates are reduced after the dates of the grant agreements
12 described in ORS 184.404 and the grant agreements provide that payments will be based on rates in
13 effect when the grant agreements are executed, the Oregon personal income tax liabilities, as de-
14 scribed in subparagraph (A) of this paragraph, that would have been due if the liabilities were cal-
15 culated using personal income tax rates in effect on the date of execution of the grant agreements.

16 “(b) ‘Major league stadium’ means a baseball stadium located in the City of Portland that is
17 designed for use by a Major League Baseball team and that has an estimated cost of [~~\$300 million~~]
18 **\$2 billion** or more.

19 “(c) ‘Member of a professional athletic team’ means an athlete or other individual rendering
20 service to a professional athletic team if the compensation of the athlete or other individual exceeds
21 [~~\$50,000~~] **\$100,000** in a tax year.

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

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

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

27 “(b) Implement the duties of the department under ORS 184.400 to 184.408; and

28 “(c) Carry out the purposes of ORS 184.400 to 184.408.

29 “**SECTION 2.** ORS 184.404 is amended to read:

30 “184.404. (1) The Director of the Oregon Department of Administrative Services, with the ap-
31 proval of the State Treasurer, may enter into one or more agreements on behalf of the State of
32 Oregon to grant the incremental baseball tax revenues for a period of not more than 30 years. The
33 grant agreements must:

34 “(a) Provide that the granted amounts may be used only to pay for the costs of financing, de-
35 veloping, constructing and furnishing a major league stadium;

1 “(b) Provide that:

2 “(A) The total payments to the grantees are limited so that the grantees do not receive, in the

3 aggregate, more than [*\$150 million*] **\$800 million** for costs of developing, constructing and furnishing

4 a major league stadium, plus the actual, reasonable financing costs incurred by the grantees for that

5 amount; and

6 “(B) If the incremental baseball tax revenues in a year substantially exceed the amount rea-

7 sonably required to amortize a loan of [*\$150 million*] **\$800 million** over a period of 30 years with

8 interest, the excess may be retained by the state;

9 “(c) Terminate when:

10 “(A) The State of Oregon has made all payments assigned to the state in the grant agreements

11 for the costs allowed under this subsection; and

12 “(B) The grantees have returned any amounts required to be returned under paragraph (i) of this

13 subsection;

14 “(d) Require the Director of the Department of Revenue to estimate incremental baseball tax

15 revenues, specify the methodology for estimating incremental baseball tax revenues and notify the

16 Director of the Oregon Department of Administrative Services of the estimated incremental baseball

17 tax revenues;

18 “(e) Specify the methodology for determining actual incremental baseball tax revenues;

19 “(f) Require the Director of the Oregon Department of Administrative Services to request that

20 the Legislative Assembly appropriate an amount equal to the estimated incremental baseball tax

21 revenues from the General Fund to the Major League Stadium Grant Fund established in ORS

22 184.408 so that those moneys may be disbursed under the grant agreements authorized by this sec-

23 tion;

24 “(g) Require the Director of the Department of Revenue to determine the actual incremental

25 baseball tax revenues and, if the actual incremental baseball tax revenues exceed the estimated in-

26 cremental baseball tax revenues, notify the Director of the Oregon Department of Administrative

27 Services of the excess;

28 “(h) Require the Director of the Oregon Department of Administrative Services, if notified of

29 an excess under paragraph (g) of this subsection, to request that the Legislative Assembly appro-

30 priate an amount equal to the excess, adjusted for the limits and retentions described in paragraph

31 (b) of this subsection, from the General Fund to the Major League Stadium Grant Fund so that those

32 moneys may be disbursed under the grant agreements authorized by this section;

33 “(i) Require the grantees to return to the Director of the Oregon Department of Administrative

34 Services for deposit in the General Fund amounts transferred to the grantees from the Major League

35 Stadium Grant Fund that exceed the actual incremental baseball tax revenues;

36 “(j) Provide that the amounts requested for appropriations may not be reduced because of any

37 reduction that may be enacted in Oregon personal income tax rates;

38 “(k) Require the Director of the Oregon Department of Administrative Services to disburse

39 amounts in the Major League Stadium Grant Fund to the grantees on particular dates;

40 “(L) Provide assurances of full and fair participation in the construction, furnishing and opera-

41 tion of the major league stadium by minority-owned businesses, woman-owned businesses, veteran-

42 owned businesses and emerging small businesses;

43 “(m) Provide for the maximization of economic benefits for Oregon workers in the construction,

44 furnishing and operation of the major league stadium to the greatest extent permitted by law; and

45 “(n) Require the State of Oregon and the grantees to take any other action that the State

1 Treasurer, the Director of the Oregon Department of Administrative Services or the Director of the
2 Department of Revenue determines is desirable to ensure that:

3 “(A) The granted funds are used for the purposes described in ORS 184.400 to 184.408;

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

6 “(C) The requests for appropriation of amounts equal to the incremental baseball tax revenues
7 are made as described in ORS 184.400 to 184.408.

8 “(2) The obligation of the State of Oregon, under ORS 184.400 to 184.408 and the grant agree-
9 ments authorized by this section, to transfer estimated or actual incremental baseball tax revenues
10 to the Major League Stadium Grant Fund is subject to an appropriation being made for that purpose
11 by the Legislative Assembly. The State of Oregon is not liable to any party for any reason if the
12 Legislative Assembly fails to appropriate all or a portion of the amounts requested under subsection
13 (1)(f) and (h) of this section to the Major League Stadium Grant Fund. However, if the Legislative
14 Assembly does appropriate amounts for deposit in the Major League Stadium Grant Fund and those
15 amounts are deposited in the Major League Stadium Grant Fund pursuant to the grant agreements
16 authorized by this section, the obligation of the State of Oregon to disburse the amounts in the
17 Major League Stadium Grant Fund is unconditional. The grant agreements authorized by this sec-
18 tion are not a pledge of the full faith and credit or the taxing power of the State of Oregon, and the
19 State of Oregon does not pledge its full faith and credit or taxing power. The grant agreements do
20 not create an indebtedness of the State of Oregon in violation of Article XI, section 7, of the Oregon
21 Constitution. If a provision of a grant agreement is construed to have the effect of creating a debt
22 in violation of Article XI, section 7, of the Oregon Constitution, the provision is void.

23 “(3) The Legislative Assembly does not have a legal obligation to appropriate any amounts for
24 disbursement under the grant agreements authorized by this section. However, the Legislative As-
25 sembly declares its current intention to appropriate amounts equal to the estimated incremental
26 baseball tax revenues and amounts equal to the amount by which the actual incremental baseball
27 tax revenues exceed the estimated incremental baseball tax revenues from the General Fund to the
28 Major League Stadium Grant Fund, as provided in ORS 184.400 to 184.408, so that the amounts may
29 be disbursed pursuant to the grant agreements authorized by this section.

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

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