



SB 110-1 Portland MLB Stadium financing – Issues and Concerns

Senate Finance and Revenue Committee – John Calhoun – March 24, 2025

My name is John Calhoun and I am representing Tax Fairness Oregon, a network of volunteers who advocate a rational and equitable tax code.

We have been put at a disadvantage today in speaking with specificity about the proposal to expand the existing law granting incremental baseball tax revenues from \$150 million to \$800 million. Prior to this morning all we had to go on was the -1 amendment itself. We are concerned that there is a work session scheduled in two days on this bill and we will not have a proper chance to digest the study prepared by ECONorthwest and the claims presented this morning before you could act on the bill. We urge you to take your time. **This is the biggest ask for state funds for a single private business in Oregon history. It deserves thorough study.**

- Advocates like to say: *This is “found money,” without a stadium we have no team, so we don’t have that money.* But locals buy most tickets and concessions. These are entertainment dollars that could otherwise go to other entertainment or sports events whose schedules overlap with MLB such as the Hops, the Timbers, Thorns as well as a new WNBA team. The same goes for sponsorship revenue. It is true that national TV revenue would be new revenue to Oregon, but that is a minority of MLB revenue.
- The language in the law that adds financing costs in addition to the \$800 million means that the total cost to the state could be double that amount. Are we really talking about \$1.5 billion when we include interest? The current language needs to be clarified and there should be a cap on the amount of financing costs.
- The assumptions of the projected revenue stream are highly dependent upon the rate of growth for player salaries. **Proponents are trying to finance more than 5 times the amount as the current law with an income stream that has only doubled since 2005.**
 - The 8% per year increase in salaries mentioned at a prior presentation is dramatically more than the actual 4% annual rate of increase since 2005.
 - Taxable player salaries can vary greatly from published salaries. For example, Shoel Otani, baseball’s highest paid player, is set up to avoid his California income taxes on \$68 million of his \$70 million annual salary until he can relocate to a state with no income tax or back to Japan.
- While this risk is on the back of bond holder, not the state, it does mean that optimistic claims of early payment should be viewed skeptically.

- Unlike other new businesses, there would be no revenue available for police, fire, and other public services the team will require. In the case of Intel having sharply lower property taxes, gain share sends 50% of the income taxes of the new Intel employees to the local community to pay for services. That would not be possible under this proposal. SB 110 eliminates virtually all income tax revenue from this enterprise for the general fund. We have no sales tax like other cities that forego income taxes. Property would initially be diverted to pay for local infrastructure near the stadium. How do local services get paid? The claim that other businesses will thrive because of this stadium and the economic benefits to the public will flow from these benefits is not supported by a wide range of economic studies. Public investment in sports stadiums does not provide a positive public return according to the economic literature.

Please understand that this is not free money. Take the time to understand the assumptions proponents are making. Ask your constituents if they want to spend public dollars subsidizing millionaire players and billionaire owners.

