

Submitter: Andrew Brown

On Behalf Of:

Committee: Senate Committee On Finance and Revenue

Measure, Appointment or Topic: SB110

I urge the Senate Committee on Finance and Revenue to take a sober look at the Portland Diamond Project's request for \$800 million in public funding, particularly in light of Oregon's numerous other priorities and funding challenges. This request should be rejected for several reasons.

First, it is a slap in the face to all other income tax filers in Oregon, whose taxes support public goods and services: parks, roads, schools, wildfire management, etc. Personal income taxes are what we all pay as a cost of living in Oregon and benefiting from its public resources. No other individual can direct the State to spend their personal income taxes on a personal pet project, and no other business can specify that its employees' taxes can be used to fund new business facilities. Why should a prospective Major League Baseball franchise - a franchise that hasn't even been granted yet - receive special dispensation to benefit from the taxes its players would pay? Taxes are public funds, regardless of their provenance; baseball players and team employees use public services just like the rest of us. (The request is particularly galling given that the ostensible ownership group hasn't even been publicly identified yet, even as they come hat-in-hand to the State.)

Second, the math simply doesn't work. I note that ECONorthwest submitted a rosy summary of scenario analysis to the Committee, but I would remind the Committee that ECONorthwest was engaged by the Portland Diamond Project and does not have a fiduciary duty to the State. Moreover, their summary contains few supporting details. However, it doesn't take a consultant's report to see the disconnect here. The average MLB payroll in 2024 was about \$151 million. Assuming a Portland-based franchise would fall around that level (as would the average payroll of its opponents), applying the State's top marginal tax rate of 9.9% would result in just under \$15 million in annual personal income tax revenue attributable to MLB players. Meanwhile, the annual debt service on a 30-year, \$800 million bond issue at an interest rate of 4% would be over \$46 million. Unless the Portland Diamond Project employs the world's most well-compensated peanut and beer vendors to make up the difference, I fear that the \$31 million gap would be covered by the State's general fund - that is, everyday taxpayers.

In short, the request for public funding by the Portland Diamond Project is both morally hazardous - it would grant special tax treatment to a single business, which really doesn't need financial support - and would put the State's general fund at risk. I urge the Committee not to be swayed by fancy renderings of waterfront ballparks and consider whether gifting public funds to a for-profit baseball team is the most

appropriate use of the Legislature's time and the State's resources.

Thank you for your consideration.

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