

SB 1501 A STAFF MEASURE SUMMARY

Senate Committee On Rules

Action Date: 02/26/26

Action: Do pass with amendments and requesting referral to Ways and Means. (Printed A-Engrossed.)

Vote: 4-1-0-0

Yeas: 4 - Golden, Jama, Manning Jr, Starr

Nays: 1 - Thatcher

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

Prepared By: Leslie Porter, LPRO Analyst

Meeting Dates: 2/11, 2/25, 2/26

WHAT THE MEASURE DOES:

The measure authorizes the Oregon Department of Administrative Services (DAS) to enter into agreements to own and operate Moda Center in the City of Portland and creates the Oregon Arena Fund in the State Treasury. The measure declares an emergency, effective on its passage.

Detailed Summary:

- Requires that certain provisions be met in any agreements between the joint authority and a management entity
- Establishes that the agreements may not obligate state money beyond that in the Oregon Arena Fund and may not pledge the taxing power or the full faith and credit of the state
- Stipulates permissible uses of the Oregon Arena Fund, and establishes that the legislature and the State of Oregon are not obligated to appropriate or deposit money into the fund
- Dedicates certain tax revenues to the fund related to work in and around Moda Center; services performed in or related activities or operations that are physically located in the Rose Quarter; and performances in the Rose Quarter
- Requires DAS and the state treasurer to ensure that certain funds are separately accounted for and used in specific ways
- States the legislature’s intent of issuing debt instruments sufficient to yield \$350,000,000 in net proceeds to support the construction and renovation of Moda Center
- Specifies start and end dates for the Department of Revenue (DOR) and DAS to report specified information, and allows DOR to share certain information with DAS for reporting purposes
- Establishes conditions that must be met for the state treasurer to issue debt service

ISSUES DISCUSSED:

- The measure’s projected annual regional impact
- Job creation due to construction
- The economic, emotional, and cultural value of the Portland Trail Blazers basketball team, Moda Center, and the Rose Quarter

EFFECT OF AMENDMENT:

The amendment adds a definition for “joint authority” and changes the definitions of “performer” and “Rose Quarter.” It adds permissible uses of the Oregon Arena Fund to include repair, maintenance, and deferred maintenance. It requires DAS and the state treasurer to ensure that certain funds are separately accounted for and used in specific ways. It establishes that the State of Oregon is not obligated to deposit money into the fund. It states that the legislature’s intent is to issue debt instruments sufficient to yield \$350,000,000 in net proceeds to support the construction and renovation of Moda Center. It specifies start and end dates for DOR and DAS to

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report specified information, and allows DOR to share certain information with DAS for reporting purposes. It establishes conditions that must be met for the state treasurer to issue debt service. It also requires certain provisions be met in any agreements between the joint authority and a management entity.

BACKGROUND:

Originally named the Rose Garden, Moda Center opened on October 12, 1995. It was developed by the then-owner of the Portland Trail Blazers, Paul Allen, as part of his vision to revitalize Portland's Central City. Moda Health secured the naming rights in 2013, therefore renaming the Rose Garden to Moda Center. With a seating capacity of over 19,000, Moda Center hosts various events, including Trail Blazers basketball games, concerts, and entertainment shows, making it Oregon's premier large indoor sports and entertainment venue. According to the City of Portland, it generates \$600 million in annual economic activity and supports thousands of jobs.

The City of Portland acquired Moda Center in the summer of 2024 upon the expiration of the original lease. The city entered into a new operating lease with Rip City Management and the Portland Trail Blazers, which expires in October 2030.