

# Senate Bill 1501

Sponsored by Senator WAGNER

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

**Digest:** The Act allows DAS to enter into agreements to own and operate the Moda Center. The Act sends certain tax revenue to a fund to pay for costs of the Moda Center. (Flesch Readability Score: 68.9).

Authorizes the Oregon Department of Administrative Services to enter into agreements to own and operate the Moda Center in the City of Portland. Provides that agreements may not pledge or obligate state moneys except for moneys in the Oregon Arena Fund.

Creates the Oregon Arena Fund in the State Treasury. Dedicates certain tax revenues related to work in and around the Moda Center to the fund.

Declares an emergency, effective on passage.

## A BILL FOR AN ACT

1 Relating to the Moda Center; and declaring an emergency.

2 **Be It Enacted by the People of the State of Oregon:**

3       **SECTION 1.** (1) The Oregon Department of Administrative Services, in consultation with  
4 the Governor and the Attorney General, is authorized to negotiate and enter into agreements  
5 with one or more public bodies or management entities to establish a joint authority, the  
6 purpose of which is to own and operate the Moda Center.

7       **(2)(a) An agreement under this section:**

8           **(A) May not purport to pledge or obligate any state moneys, revenues or other property,  
9 except for moneys credited to the Oregon Arena Fund established under section 2 of this 2026  
10 Act;**

11           **(B) May not purport to pledge the taxing power or the full faith and credit of the State  
12 of Oregon; and**

13           **(C) May not purport to create an indebtedness of the State of Oregon in violation of Ar-  
14 ticle XI, section 7, of the Oregon Constitution.**

15       **(b) An agreement under this section is void to the extent that it violates any provision  
16 of this subsection.**

17       **(3) As used in this section:**

18           **(a) "Management entity" means any entity that has a long-term operating agreement or  
19 lease to manage the Moda Center.**

20           **(b) "Moda Center" means the multipurpose sports and entertainment arena known, as  
21 of the effective date of this 2026 Act, as the Moda Center, located at 1 Center Court Street,  
22 Portland, Oregon, and the surrounding plaza areas containing ancillary hospitality and sup-  
23 port functions.**

24           **(c) "Public body" has the meaning given that term in ORS 174.109.**

25       **SECTION 2.** (1) The Oregon Arena Fund is established in the State Treasury, separate  
26 and distinct from the General Fund. Interest earned by the Oregon Arena Fund must be

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 credited to the fund. The Oregon Arena Fund consists of moneys appropriated, allocated,  
2 deposited or transferred to the fund by the Legislative Assembly or from any public or pri-  
3 vate source and interest earned on moneys in the fund. The moneys in the Oregon Arena  
4 Fund are continuously appropriated to the Oregon Department of Administrative Services  
5 for the purpose of paying expenses of a joint authority established pursuant to an agreement  
6 under section 1 of this 2026 Act, including, without limitation, expenses related to con-  
7 struction, renovation, capital improvements, arena operations and debt service.

8 (2) The department and the State Treasurer are authorized to create subaccounts within  
9 the fund as necessary or convenient for the administration of the fund.

10 (3) The Legislative Assembly does not have a legal obligation to appropriate moneys or  
11 otherwise make moneys available to the fund. The Legislative Assembly declares its current  
12 intention to make moneys available to the fund in amounts necessary to effectuate agree-  
13 ments executed under section 1 of this 2026 Act.

14 **SECTION 3.** (1) As used in this section:

15 (a) “Construction organization” means an employer that derives revenue in a given  
16 quarter from activities or operations directly related to the renovation or other improvement  
17 of the Moda Center.

18 (b) “Moda Center” has the meaning given that term in section 1 of this 2026 Act.

19 (c) “Operating organization” means an employer that derives revenue from activities or  
20 operations that are physically located in the Rose Quarter, excluding construction organiza-  
21 tions and performers.

22 (d) “Performer” means a person who performs a musical, comedic, theatrical or other  
23 artistic performance at the Moda Center as an independent contractor, as defined in ORS  
24 670.600.

25 (e) “Rose Quarter” has the meaning given the term “project site” in the Amended and  
26 Restated Development Agreement between Rip City Management LLC and the City of  
27 Portland executed in or around August 2024.

28 (2)(a) Each quarter, the Department of Revenue shall determine the aggregate amount  
29 withheld pursuant to ORS 316.162 to 316.221 by operating organizations from wages paid for  
30 services:

31 (A) Physically performed in the Rose Quarter; or

32 (B) Related to activities or operations that are physically located in the Rose Quarter.

33 (b) Each quarter, the Department of Revenue shall determine the aggregate amount  
34 withheld pursuant to ORS 316.162 to 316.221 by construction organizations from wages paid  
35 for services directly related to the renovation or other improvement of the Moda Center.

36 (c) At least once per year, the division of the Oregon Department of Administrative  
37 Services that serves as the office of economic analysis shall estimate the amount of tax paid  
38 by performers under ORS chapter 316 for the previous tax year.

39 (3) As soon as practicable after an amount described in subsection (2) of this section is  
40 determined, the Oregon Department of Administrative Services shall cause an amount equal  
41 to the amount determined to be transferred from the General Fund to the Oregon Arena  
42 Fund established under section 2 of this 2026 Act, subject to subsection (4) of this section.

43 (4) The Oregon Department of Administrative Services may make a transfer under sub-  
44 section (3) of this section only if:

45 (a) A men’s professional basketball team has entered a legally binding agreement to lease

1 the Moda Center for a specified term; and

2 (b) The term of the lease has not expired.

3 (5) The Oregon Department of Administrative Services and the Department of Revenue  
4 may adopt rules necessary or convenient for the administration of this section. The Oregon  
5 Department of Administrative Services and the Department of Revenue may require report-  
6 ing from taxpayers as necessary to carry out the provisions of this section.

7 **SECTION 4.** Section 3 of this 2026 Act applies to tax years beginning on or after July 1,  
8 2027.

9 **SECTION 5.** If the Oregon Department of Administrative Services establishes a joint  
10 authority under section 1 of this 2026 Act, the department shall, at least once per quarter,  
11 report to the standing or interim legislative committee related to ways and means on the  
12 following:

13 (1) Planning, design and execution of renovations to the Moda Center, as defined in sec-  
14 tion 1 of this 2026 Act;

15 (2) Expenditures by the joint authority; and

16 (3) Amounts and sources of revenue obtained by the joint authority.

17 **SECTION 6.** Section 5 of this 2026 Act is repealed on January 2, 2032.

18 **SECTION 7.** This 2026 Act being necessary for the immediate preservation of the public  
19 peace, health and safety, an emergency is declared to exist, and this 2026 Act takes effect  
20 on its passage.

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