

SENATE AMENDMENTS TO SENATE BILL 1501

By COMMITTEE ON RULES

February 27

1 On page 1 of the printed bill, delete lines 4 through 27 and delete pages 2 and 3 and insert:

2 **“SECTION 1. As used in sections 1 to 8 of this 2026 Act:**

3 **“(1) ‘Construction organization’ means an employer that derives revenue in a given**
4 **quarter from activities or operations directly related to the renovation or other improvement**
5 **of the Moda Center.**

6 **“(2) ‘Joint authority’ means the joint authority formed under section 2 of this 2026 Act.**

7 **“(3) ‘Management entity’ means an entity that has a long-term operating agreement or**
8 **lease to manage the Moda Center.**

9 **“(4) ‘Moda Center’ means the multipurpose sports and entertainment arena known, as**
10 **of the effective date of this 2026 Act, as the Moda Center, located at 1 North Center Court**
11 **Street, Portland, Oregon, and the surrounding areas containing ancillary hospitality and**
12 **support functions.**

13 **“(5) ‘Operating organization’ means an employer that derives revenue from activities or**
14 **operations that are physically located in the Rose Quarter, excluding construction organiza-**
15 **tions and performers.**

16 **“(6) ‘Performer’ means a person or entity who performs, or whose employees or con-**
17 **tractors perform, for any audience at the Rose Quarter, including, without limitation, a**
18 **musical, comedic, theatrical, sports or other artistic, athletic or entertainment performance,**
19 **excluding a professional sports team that conducts its regular season home schedule at a**
20 **facility located in the Rose Quarter.**

21 **“(7) ‘Public body’ has the meaning given that term in ORS 174.109.**

22 **“(8)(a) ‘Rose Quarter’ means the sports and entertainment district containing the Moda**
23 **Center, Memorial Coliseum, public plazas and associated facilities and infrastructure, as de-**
24 **scribed on the map titled ‘Project Site Map’ at Exhibit 2.5 in the Amended and Restated De-**
25 **velopment Agreement between Rip City Management LLC and the City of Portland, dated**
26 **September 19, 2024.**

27 **“(b) ‘Rose Quarter’ does not include transit facilities owned or operated by a public body.**

28 **“SECTION 2. (1) The Oregon Department of Administrative Services, in consultation with**
29 **the Governor and the Attorney General, is authorized to negotiate and enter into agreements**
30 **with one or more public bodies to establish a joint authority, the purpose of which is to own**
31 **and oversee the operations of the Moda Center.**

32 **“(2)(a) An agreement under this section:**

33 **“(A) May not purport to pledge or obligate any state moneys, revenues or other property,**
34 **except for moneys credited to the Oregon Arena Fund established under section 3 of this 2026**
35 **Act;**

1 “(B) May not purport to pledge the taxing power or the full faith and credit of the State
2 of Oregon; and

3 “(C) May not purport to create an indebtedness of the State of Oregon in violation of
4 Article XI, section 7, of the Oregon Constitution.

5 “(b) An agreement under this section is void to the extent that it violates any provision
6 of this subsection.

7 “SECTION 3. (1) The Oregon Arena Fund is established in the State Treasury, separate
8 and distinct from the General Fund. Interest earned by the Oregon Arena Fund must be
9 credited to the fund. The Oregon Arena Fund consists of moneys appropriated, allocated,
10 deposited or transferred to the fund by the Legislative Assembly or from any public or pri-
11 vate source and interest earned on moneys in the fund. The moneys in the Oregon Arena
12 Fund are continuously appropriated to the Oregon Department of Administrative Services
13 for the purpose of paying expenses of the joint authority, including, without limitation, ex-
14 penses related to construction, renovation, capital improvements, repair, maintenance, de-
15 ferred maintenance, arena operations and debt service, and subject to subsection (3) of this
16 section.

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

19 “(3) The department and the State Treasurer shall ensure that the following moneys are
20 separately accounted for and used as follows:

21 “(a) Proceeds of debt instruments issued by the State of Oregon and deposited in the fund
22 may be used only for construction and renovation of the Moda Center and debt service; and

23 “(b) Moneys deposited in the fund by Multnomah County may be used only for con-
24 struction, renovation, maintenance and deferred maintenance of the Moda Center and debt
25 service.

26 “(4) The State of Oregon and the Legislative Assembly do not have a legal obligation to
27 deposit moneys in the fund, appropriate moneys to the fund or otherwise make moneys
28 available to the fund. The Legislative Assembly declares its current intention to issue debt
29 instruments sufficient to yield \$365,000,000 in net proceeds to support construction and re-
30 novation of the Moda Center.

31 “SECTION 4. (1) During the period specified in subsection (3) of this section:

32 “(a) On September 1, 2027, and every three months thereafter, the Department of Re-
33 venue shall determine the aggregate amount withheld in the previous three months pursuant
34 to ORS 316.162 to 316.221 by operating organizations from wages paid for services:

35 “(A) Physically performed in the Rose Quarter; or

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

37 “(b) On September 1, 2027, and every three months thereafter, the Department of Re-
38 venue shall determine the aggregate amount withheld in the previous three months pursuant
39 to ORS 316.162 to 316.221 by construction organizations from wages paid for services directly
40 related to the renovation or other improvement of the Moda Center.

41 “(c) On July 1, 2028, and on July 1 of each year thereafter, the division of the Oregon
42 Department of Administrative Services that serves as the office of economic analysis shall
43 estimate the amount of tax paid by performers under ORS chapter 316 on income derived
44 from performances at the Rose Quarter in the previous 12 months.

45 “(2) As soon as practicable after an amount described in subsection (1)(a), (b) or (c) of

1 this section is determined or estimated, the Oregon Department of Administrative Services
2 shall cause an amount equal to the amount determined or estimated to be transferred from
3 the General Fund to the Oregon Arena Fund established under section 3 of this 2026 Act,
4 subject to section 5 of this 2026 Act.

5 “(3) The determinations and estimates under subsection (1) of this section shall be made
6 during the period beginning on the dates specified in subsection (1) of this section, and ending
7 on the later of:

8 “(a) January 1 following the date on which the lease term described in section 6 of this
9 2026 Act expires; or

10 “(b) January 1 following the date on which all indebtedness incurred by the State of
11 Oregon, the net proceeds of which are deposited in the Oregon Arena Fund, is retired.

12 “(4) Notwithstanding ORS 314.835, the Department of Revenue may share information
13 obtained from employers and performers under this section and ORS chapter 316, and asso-
14 ciated tax data, with the Oregon Department of Administrative Services as necessary to
15 carry out the provisions of this section. Any information shared pursuant to this subsection
16 must be aggregated to the extent practicable and remains subject to applicable state and
17 federal confidentiality laws.

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

22 “**SECTION 5.** Notwithstanding any other laws authorizing the issuance of debt instru-
23 ments, the State Treasurer may not issue any debt instruments for purposes related to the
24 Moda Center, and no moneys may be transferred pursuant to section 4 (2) of this 2026 Act,
25 unless all of the following conditions are met:

26 “(1) A change in ownership of the Portland Trail Blazers basketball team is finalized and
27 approved by the National Basketball Association, and the team remains a member in good
28 standing of the National Basketball Association;

29 “(2) The State of Oregon and the City of Portland have entered into an agreement, which
30 may include other entities, to establish a joint authority for the ownership and operation of
31 the Moda Center, and:

32 “(a) The State of Oregon takes an ownership interest in the Moda Center that the Oregon
33 Department of Administrative Services determines is greater than a nominal interest; or

34 “(b) The department determines that an ownership interest in the Moda Center is not
35 necessary for the issuance of debt instruments by the state;

36 “(3) The joint authority has executed one or more agreements with a management entity
37 that satisfy the requirements of section 6 of this 2026 Act;

38 “(4) The joint authority has reviewed plans for renovation of the Moda Center and has
39 approved the project scope, schedule and budget; and

40 “(5) The department has determined that the City of Portland and Multnomah County
41 have made binding and substantial commitments to finance construction, renovation, main-
42 tenance and deferred maintenance of the Moda Center and related debt service.

43 “**SECTION 6.** The joint authority and a management entity must execute one or more
44 agreements that collectively contain all of the following provisions:

45 “(1) A binding commitment from the management entity to lease the Moda Center for a

1 minimum term of 20 years;

2 “(2) A provision authorizing the joint authority to give final approval of scope, schedule
3 and budget for construction or renovation projects relating to the Moda Center, provided
4 that such approval does not cause unreasonable delay to the project;

5 “(3) A provision addressing responsibility for cost overruns in any project carried out by
6 the joint authority, which must provide that the State of Oregon is not required to pay for
7 any cost overruns, except to the extent that such cost overruns are the result of modifica-
8 tions to the project scope or design that the State of Oregon requests after final approval;

9 “(4) A provision authorizing the following remedies, at a minimum, in case of breach of
10 a nonrelocation agreement or exclusive site agreement, as applicable, by the management
11 entity:

12 “(a) Injunctive relief; and

13 “(b) Liquidated damages in the amount of any outstanding debt issued by any public body
14 that is part of the joint authority for projects at the Moda Center;

15 “(5) A provision authorizing a management entity to seek injunctive relief or specific
16 performance to prevent acts or omissions of the joint authority or any public body belonging
17 to the joint authority that materially impair the management entity’s ability to use or oc-
18 cupy the Moda Center in accordance with relevant agreements; and

19 “(6) A provision requiring all parties to engage in good-faith discussions regarding
20 amendments to terms of the agreement, without obligating any party to agree to any
21 amendments, on or before the earlier of:

22 “(a) July 1, 2036; or

23 “(b) Five years before the expiration of the term of the agreement.

24 “SECTION 7. If the Oregon Department of Administrative Services enters into an
25 agreement to establish a joint authority under section 2 of this 2026 Act, the department
26 shall, at least once per quarter, report to the standing or interim legislative committee re-
27 lated to ways and means on the following:

28 “(1) Planning, design and execution of renovations to the Moda Center;

29 “(2) Expenditures by the joint authority; and

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

31 “SECTION 8. Section 7 of this 2026 Act is repealed on January 2, 2032.

32 “SECTION 9. This 2026 Act being necessary for the immediate preservation of the public
33 peace, health and safety, an emergency is declared to exist, and this 2026 Act takes effect
34 on its passage.”.