

SB 1501-A7
(LC 146)
2/27/26 (DFY/ps)

Requested by Senator WAGNER

**PROPOSED AMENDMENTS TO
A-ENGROSSED SENATE BILL 1501**

On page 1 of the printed A-engrossed bill, delete lines 4 through 23 and delete pages 2 through 5 and insert:

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

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

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

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

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

“(5) ‘Operating organization’ means an employer that derives revenue from activities or operations that are physically located in the Rose Quarter, excluding construction organizations and performers.

“(6) ‘Performer’ means a person or entity who performs, or whose employees or contractors perform, for any audience at the Rose Quarter, including, without limitation, a musical, comedic, theatrical,

1 sports or other artistic, athletic or entertainment performance, ex-
2 cluding a professional sports team that conducts its regular season
3 home schedule at a facility located in the Rose Quarter.

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

5 “(8)(a) ‘Rose Quarter’ means the sports and entertainment district
6 containing the Moda Center, Memorial Coliseum, public plazas and
7 associated facilities and infrastructure, as depicted on the map titled
8 ‘Project Site Map’ at Exhibit 2.5 in the Amended and Restated Devel-
9 opment Agreement between Rip City Management LLC and the City
10 of Portland, dated September 19, 2024.

11 “(b) ‘Rose Quarter’ does not include transit facilities owned or op-
12 erated by a public body.

13 **“SECTION 2. (1) The Oregon Department of Administrative Ser-**
14 **vices, in consultation with the Governor and the Attorney General, is**
15 **authorized to negotiate and enter into agreements with one or more**
16 **public bodies to establish a joint authority, the purpose of which is to**
17 **own and oversee the operations of the Moda Center.**

18 “(2)(a) An agreement under this section:

19 “(A) May not purport to pledge or obligate any state moneys, reve-
20 nues or other property, except for moneys credited to the Oregon
21 Arena Fund established under section 3 of this 2026 Act;

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

24 “(C) May not purport to create an indebtedness of the State of
25 Oregon in violation of Article XI, section 7, of the Oregon Constitu-
26 tion.

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

29 **“SECTION 3. (1) The Oregon Arena Fund is established in the State**
30 **Treasury, separate and distinct from the General Fund. Interest**

1 earned by the Oregon Arena Fund must be credited to the fund. The
2 Oregon Arena Fund consists of moneys appropriated, allocated, de-
3 posited or transferred to the fund by the Legislative Assembly or from
4 any public or private source and interest earned on moneys in the
5 fund. The moneys in the Oregon Arena Fund are continuously appro-
6 priated to the Oregon Department of Administrative Services for the
7 purpose of paying expenses of the joint authority, including, without
8 limitation, expenses related to construction, renovation, capital im-
9 provements, repair, maintenance, deferred maintenance, arena oper-
10 ations and debt service, and subject to subsection (3) of this section.

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

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

16 “(a) Proceeds of debt instruments issued by the State of Oregon and
17 deposited in the fund and moneys transferred to the fund under sec-
18 tion 4 of this 2026 Act may be used only for construction, renovation,
19 maintenance and deferred maintenance of the Moda Center and debt
20 service; and

21 “(b) Moneys deposited in the fund by Multnomah County may be
22 used only for construction, renovation, maintenance and deferred
23 maintenance of the Moda Center and debt service.

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

30 **SECTION 4.** (1) During the period specified in subsection (3) of this

1 section:

2 “(a) On September 1, 2027, and every three months thereafter, the
3 Department of Revenue shall determine the aggregate amount with-
4 held in the previous three months pursuant to ORS 316.162 to 316.221
5 by operating organizations from wages paid for services:

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

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

9 “(b) On September 1, 2027, and every three months thereafter, the
10 Department of Revenue shall determine the aggregate amount with-
11 held in the previous three months pursuant to ORS 316.162 to 316.221
12 by construction organizations from wages paid for services directly
13 related to the renovation or other improvement of the Moda Center.

14 “(c) On July 1, 2028, and on July 1 of each year thereafter, the di-
15 vision of the Oregon Department of Administrative Services that
16 serves as the office of economic analysis shall estimate the amount
17 of tax paid by performers under ORS chapter 316 on income derived
18 from performances at the Rose Quarter in the previous 12 months.

19 “(2) As soon as practicable after an amount described in subsection
20 (1)(a), (b) or (c) of this section is determined or estimated, the Oregon
21 Department of Administrative Services shall cause an amount equal
22 to the amount determined or estimated to be transferred from the
23 General Fund to the Oregon Arena Fund established under section 3
24 of this 2026 Act, subject to section 5 of this 2026 Act.

25 “(3) The determinations and estimates under subsection (1) of this
26 section shall be made during the period beginning on the dates speci-
27 fied in subsection (1) of this section, and ending on the later of:

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

30 “(b) January 1 following the date on which all indebtedness incurred

1 by the State of Oregon, the net proceeds of which are deposited in the
2 Oregon Arena Fund, is retired.

3 “(4) Notwithstanding ORS 314.835, the Department of Revenue may
4 share information obtained from employers and performers under this
5 section and ORS chapter 316, and associated tax data, with the Oregon
6 Department of Administrative Services as necessary to carry out the
7 provisions of this section. Any information shared pursuant to this
8 subsection must be aggregated to the extent practicable and remains
9 subject to applicable state and federal confidentiality laws.

10 “(5) The Oregon Department of Administrative Services and the
11 Department of Revenue may adopt rules necessary or convenient for
12 the administration of this section. The Oregon Department of Admin-
13 istrative Services and the Department of Revenue may require re-
14 porting from taxpayers as necessary to carry out the provisions of this
15 section.

16 “SECTION 5. Notwithstanding any other laws authorizing the issu-
17 ance of debt instruments, the State Treasurer may not issue any debt
18 instruments for purposes related to the Moda Center, and no moneys
19 may be transferred pursuant to section 4 (2) of this 2026 Act, unless
20 all of the following conditions are met:

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

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

28 “(a) The State of Oregon takes an ownership interest in the Moda
29 Center that the Oregon Department of Administrative Services deter-
30 mines is greater than a nominal interest; or

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

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

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

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

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

17 “(1) A binding commitment from the management entity to lease
18 the Moda Center for a minimum term of 20 years;

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

23 “(3) A provision addressing responsibility for cost overruns in any
24 project carried out by the joint authority, which must provide that the
25 joint authority is not required to pay for any cost overruns, except to
26 the extent that such cost overruns are the result of modifications to
27 the project scope or design that the joint authority requests after final
28 approval;

29 “(4) A provision authorizing the following remedies, at a minimum,
30 in case of breach of a nonrelocation agreement or exclusive site

1 agreement, as applicable, by the management entity:

2 “(a) Injunctive relief; and

3 “(b) Liquidated damages in the amount of any outstanding debt is-
4 sued by any public body that is part of the joint authority for projects
5 at the Moda Center;

6 “(5) A provision authorizing a management entity to seek injunctive
7 relief or specific performance to prevent acts or omissions of the joint
8 authority or any public body belonging to the joint authority that
9 materially impair the management entity’s ability to use or occupy the
10 Moda Center in accordance with relevant agreements; and

11 “(6) A provision requiring all parties to engage in good-faith dis-
12 cussions regarding amendments to terms of the agreements, without
13 obligating any party to agree to any amendments, on or before the
14 date five years before the expiration of the term of the lease.

15 “SECTION 7. If the Oregon Department of Administrative Services
16 enters into an agreement to establish a joint authority under section
17 2 of this 2026 Act, the department shall, at least once per quarter, re-
18 port to the standing or interim legislative committee related to ways
19 and means on the following:

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

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

23 “(3) Amounts and sources of revenue obtained by the joint author-
24 ity.

25 “SECTION 8. Section 7 of this 2026 Act is repealed on January 2,
26 2032.

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