

**REVENUE IMPACT OF  
PROPOSED LEGISLATION  
83rd Oregon Legislative Assembly  
2025 Regular Session  
Legislative Revenue Office**

<b>Bill Number:</b>	<b>SB 110 - 4</b>
<b>Revenue Area:</b>	<b>Personal Income Tax</b>
<b>Economist:</b>	<b>Kyle Easton</b>
<b>Date:</b>	<b>3/30/2025</b>

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

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**Measure Description:**

Increases aggregate amount of 'incremental baseball tax revenues' that may be granted over a 30-year period by the State of Oregon to pay for the costs of developing, constructing, and furnishing a major league baseball stadium in Portland. Current law allows up to \$150 million in principal costs, plus the additional costs associated with financing the \$150 million. Measure increases the \$150 million limit to \$800 million. The measure increases the minimum estimated cost of the baseball stadium from \$300 million to \$2 billion. The annual limit on 'incremental baseball tax revenues' that may be granted is also increased from the amount reasonably required to amortize a loan of \$150 million, to an amount reasonably required to amortize a loan of \$800 million.

**Revenue Impact:**

'Incremental baseball tax revenues' cannot be granted until a Major League Baseball (MLB) franchise has agreed to locate and be based in Portland, has entered into a legally binding commitment to remain in Portland for at least the term of the grant agreement, and all funding to build the stadium (unrelated to the grant agreement) has been committed. As none of these requirements have been met, this analysis reflects the hypothetical of a baseball team locating in Portland.

Current law allows the Department of Administrative Services to enter into a grant agreement whereby the state personal income tax revenues associated with the baseball team ('incremental baseball tax revenues') are directed to grantees to pay for a portion of stadium construction and financing costs. 'Incremental baseball tax revenues' consist of Oregon state income tax liabilities of home team players/nonplayers and their spouses (if applicable), and applicable tax liabilities of away team players/non-players. Compensation below \$50,000 to players/non-players rendering service to a professional athletic team are excluded from incremental baseball revenues.

After the initial seasons following MLB expansion to Portland, it is assumed that a Portland team would pay player salaries and other compensation costs in line with the MLB average (salaries of expansion teams are often lower in the initial seasons). Based on this assumption, about \$25 million in 'incremental baseball tax revenues' are expected to be annually granted for repayment of stadium construction costs in early years. Such revenues are generally expected to increase in accordance with annual increases in player salaries which have averaged about 4% annually in the last twenty years. Using the average payroll and salary growth assumptions, if incremental baseball revenues are transferred for the entire 30 years allowed by statute, the total nominal amount transferred over the 30 years would be about \$1.1 to \$1.4 billion. There is considerable uncertainty in these estimates reflective of the 30-year time horizon and the many unknowns regarding the potential salaries paid by a MLB team locating in Portland and future salary growth for MLB players. Stadium financing costs

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**State Capitol Building  
900 Court St NE  
Salem, Oregon 97301-1347**

**Phone (503) 986-1266  
Fax (503) 986-1770  
<https://www.oregonlegislature.gov/lro>**

(interest rates) will also influence potential revenue transfers. Estimate was made using an analysis of historic MLB team salaries, and assumptions regarding the income for non-players/spouses and potential interest rates.

**Creates, Extends, or Expands Tax Expenditure:** Yes ☐ No ☒