

## A-Engrossed Senate Bill 110

Ordered by the Senate April 15  
Including Senate Amendments dated April 15

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Senate Interim Committee on Finance and Revenue)

### 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. The statement includes a measure digest written in compliance with applicable readability standards.

**Digest: The Act raises the amount of incremental tax revenue that DAS may grant for an MLB stadium. (Flesch Readability Score: 60.1).**

*[Digest: The Act tells the LRO to study the personal income tax system. (Flesch Readability Score: 74.8).]*

*[Requires the Legislative Revenue Officer to study the personal income tax system. Directs the Legislative Revenue Officer to submit findings to the interim committees of the Legislative Assembly related to revenue not later than December 1, 2026.]*

**Increases the amount of incremental baseball tax revenues that the Oregon Department of Administrative Services may grant for the purpose of constructing a major league baseball stadium. Increases the minimum cost of the stadium. Increases the salary threshold for purposes of calculating incremental baseball tax revenues.**

### A BILL FOR AN ACT

Relating to revenue; amending ORS 184.400 and 184.404.

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

**SECTION 1.** ORS 184.400 is amended to read:

184.400. (1) As used in ORS 184.400 to 184.408:

(a) "Incremental baseball tax revenues" means:

(A) The Oregon personal income tax revenues that are generated from the Oregon personal income tax liabilities shown on the income tax returns filed by the members of a professional athletic team engaged in Major League Baseball, including revenues that are generated from the tax liabilities of spouses of members of a professional athletic team engaged in Major League Baseball if the tax liabilities are reported on a joint return; or

(B) If Oregon personal income tax rates are reduced after the dates of the grant agreements described in ORS 184.404 and the grant agreements provide that payments will be based on rates in effect when the grant agreements are executed, the Oregon personal income tax liabilities, as described in subparagraph (A) of this paragraph, that would have been due if the liabilities were calculated using personal income tax rates in effect on the date of execution of the grant agreements.

(b) "Major league stadium" means a baseball stadium located in the City of Portland that is designed for use by a Major League Baseball team and that has an estimated cost of **[\$300 million] \$2 billion** or more.

(c) "Member of a professional athletic team" means an athlete or other individual rendering service to a professional athletic team if the compensation of the athlete or other individual exceeds **[\$50,000] \$100,000** in a tax year.

**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.

(d) "Tax liabilities" means the tax determined under ORS chapter 316 for the tax year less the credits allowed for purposes of ORS chapter 316 for the tax year.

(2) The Department of Revenue may adopt administrative rules that the department determines are necessary to:

(a) Further define the terms defined in this section in a manner consistent with this section;

(b) Implement the duties of the department under ORS 184.400 to 184.408; and

(c) Carry out the purposes of ORS 184.400 to 184.408.

**SECTION 2.** ORS 184.404 is amended to read:

184.404. (1) The Director of the Oregon Department of Administrative Services, with the approval of the State Treasurer, may enter into one or more agreements on behalf of the State of Oregon to grant the incremental baseball tax revenues for a period of not more than 30 years. The grant agreements must:

(a) Provide that the granted amounts may be used only to pay for the costs of financing, developing, constructing and furnishing a major league stadium;

(b) Provide that:

(A) The total payments to the grantees are limited so that the grantees do not receive, in the aggregate, more than [*\$150 million*] **\$800 million** for costs of developing, constructing and furnishing a major league stadium, plus the actual, reasonable financing costs incurred by the grantees for that amount; and

(B) If the incremental baseball tax revenues in a year substantially exceed the amount reasonably required to amortize a loan of [*\$150 million*] **\$800 million** over a period of 30 years with interest, the excess may be retained by the state;

(c) Terminate when:

(A) The State of Oregon has made all payments assigned to the state in the grant agreements for the costs allowed under this subsection; and

(B) The grantees have returned any amounts required to be returned under paragraph (i) of this subsection;

(d) Require the Director of the Department of Revenue to estimate incremental baseball tax revenues, specify the methodology for estimating incremental baseball tax revenues and notify the Director of the Oregon Department of Administrative Services of the estimated incremental baseball tax revenues;

(e) Specify the methodology for determining actual incremental baseball tax revenues;

(f) Require the Director of the Oregon Department of Administrative Services to request that the Legislative Assembly appropriate an amount equal to the estimated incremental baseball tax revenues from the General Fund to the Major League Stadium Grant Fund established in ORS 184.408 so that those moneys may be disbursed under the grant agreements authorized by this section;

(g) Require the Director of the Department of Revenue to determine the actual incremental baseball tax revenues and, if the actual incremental baseball tax revenues exceed the estimated incremental baseball tax revenues, notify the Director of the Oregon Department of Administrative Services of the excess;

(h) Require the Director of the Oregon Department of Administrative Services, if notified of an excess under paragraph (g) of this subsection, to request that the Legislative Assembly appropriate an amount equal to the excess, adjusted for the limits and retentions described in paragraph (b) of this subsection, from the General Fund to the Major League Stadium Grant Fund so that those

1 moneys may be disbursed under the grant agreements authorized by this section;

2 (i) Require the grantees to return to the Director of the Oregon Department of Administrative  
3 Services for deposit in the General Fund amounts transferred to the grantees from the Major League  
4 Stadium Grant Fund that exceed the actual incremental baseball tax revenues;

5 (j) Provide that the amounts requested for appropriations may not be reduced because of any  
6 reduction that may be enacted in Oregon personal income tax rates;

7 (k) Require the Director of the Oregon Department of Administrative Services to disburse  
8 amounts in the Major League Stadium Grant Fund to the grantees on particular dates;

9 (L) Provide assurances of full and fair participation in the construction, furnishing and operation  
10 of the major league stadium by minority-owned businesses, woman-owned businesses, veteran-owned  
11 businesses and emerging small businesses;

12 (m) Provide for the maximization of economic benefits for Oregon workers in the construction,  
13 furnishing and operation of the major league stadium to the greatest extent permitted by law; and

14 (n) Require the State of Oregon and the grantees to take any other action that the State  
15 Treasurer, the Director of the Oregon Department of Administrative Services or the Director of the  
16 Department of Revenue determines is desirable to ensure that:

17 (A) The granted funds are used for the purposes described in ORS 184.400 to 184.408;

18 (B) The grant agreements are administered efficiently and the interests of the State of Oregon  
19 are protected; and

20 (C) The requests for appropriation of amounts equal to the incremental baseball tax revenues  
21 are made as described in ORS 184.400 to 184.408.

22 (2) The obligation of the State of Oregon, under ORS 184.400 to 184.408 and the grant agree-  
23 ments authorized by this section, to transfer estimated or actual incremental baseball tax revenues  
24 to the Major League Stadium Grant Fund is subject to an appropriation being made for that purpose  
25 by the Legislative Assembly. The State of Oregon is not liable to any party for any reason if the  
26 Legislative Assembly fails to appropriate all or a portion of the amounts requested under subsection  
27 (1)(f) and (h) of this section to the Major League Stadium Grant Fund. However, if the Legislative  
28 Assembly does appropriate amounts for deposit in the Major League Stadium Grant Fund and those  
29 amounts are deposited in the Major League Stadium Grant Fund pursuant to the grant agreements  
30 authorized by this section, the obligation of the State of Oregon to disburse the amounts in the  
31 Major League Stadium Grant Fund is unconditional. The grant agreements authorized by this sec-  
32 tion are not a pledge of the full faith and credit or the taxing power of the State of Oregon, and the  
33 State of Oregon does not pledge its full faith and credit or taxing power. The grant agreements do  
34 not create an indebtedness of the State of Oregon in violation of Article XI, section 7, of the Oregon  
35 Constitution. If a provision of a grant agreement is construed to have the effect of creating a debt  
36 in violation of Article XI, section 7, of the Oregon Constitution, the provision is void.

37 (3) The Legislative Assembly does not have a legal obligation to appropriate any amounts for  
38 disbursement under the grant agreements authorized by this section. However, the Legislative As-  
39 sembly declares its current intention to appropriate amounts equal to the estimated incremental  
40 baseball tax revenues and amounts equal to the amount by which the actual incremental baseball  
41 tax revenues exceed the estimated incremental baseball tax revenues from the General Fund to the  
42 Major League Stadium Grant Fund, as provided in ORS 184.400 to 184.408, so that the amounts may  
43 be disbursed pursuant to the grant agreements authorized by this section.

44 (4) Before commencing negotiations on a grant agreement authorized by this section, the Oregon  
45 Department of Administrative Services shall obtain one or more agreements from benefited parties

1 to pay the state's costs associated with negotiating and executing the grant agreement.

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