



SB 110A – A billion-dollar decision for MLB

SB 110A -9 – a slight improvement

House Revenue Committee – Jody Wiser – 5.15.2025

You have before you in SB110A a billion-dollar decision.

Current law would give the stadium project around \$210 million, paying off the \$150 million commitment plus interest at 6% in ~ eight years by capturing all income taxes of the players and some staff.

The Senate's bill would add a ~billion dollars to that cost. LRO estimates SB 110A at \$1.1 to \$1.4 billion in total cost, capturing all those income taxes for 30 years.

So the question for you is \$210 million or a billion more than that?

But it's not just a question of money. The MLB funding provision passed in 2003 under Senator Ginny Burdick's enthusiasm has problems.

#1) It sets a poor precedent. We should never give all the taxes of any business to the owners of that business.

Other businesses would have every right to ask for the same thing. Certainly the Trailblazers will. The Moda Center is now 30 years old and in talks with the city about renovation. You now receive and spend the income taxes of trailblazers and their staffs. Will you end up losing this revenue?

Remember the hullabaloo around Merritt Paulson's ask for public funding of his soccer stadium needs? He's ended up spending \$130 million for a series of renovations to Providence Park and paid to build their Beaverton practice facilities as well. That's the way a private business should get the buildings they need.

#2) The advocates like to say, without a stadium, you don't have the tax revenue. That ignores two critical issues.

- 1) This is NOT found money. Most of the money spent at the stadium will be local money, diverted from spending elsewhere in the state where both personal income taxes and business taxes would be paid into the General Fund --- not diverted to pay for a workplace. And you'll likely lose Trailblazer PIT revenue you now get to spend.
- 2) It costs money to serve Oregon's population. The team claims they'll have 482 employees. If the team was here next biennium, with its 482 employees the state

would be spending about \$10 million on their share of state services.* Where's that money to come from if for 30 years their income taxes go to pay for the stadium?

The -9 along with our CAT tax makes sure that we collect a tiny bit from the team itself. Will this bring in enough to cover the costs of direct services to the stadium and the team's households? Further, in the -9, it's not clear to us if the state would get 1% of the gains when the team is sold.

The whole project is likely a \$4-5 Billion original investment:** With a \$800 million investment, why isn't the state getting an 18% share of the team ownership?***

Since the proposed stadium property is in a Tax Increment Financing/Urban Renewal) district supporting infrastructure in the area, it seems there will be neither personal income taxes nor property taxes to actually provide services to either these families or the stadium itself.

SB 110A is nothing but a massive gift to some wealthy owner or group of owners. This is a welfare queen story if I ever saw one.

This scheme to give a business the taxes of their employees should die, right along with the idea that it is the public's responsibility to fund any business' buildings.

Were I a Representative, I'd have had Legislative Council draft an amendment to SB 110A to remove from Oregon law the 2003 provision to fund MLB this way.

I've a slew of questions in my written testimony which I think you should be asking the Legislative Revenue Office and the Diamond Project proponents. Please do ask and give consideration to the answers before you decide what position to take on SB110A.

Thank you for giving consideration to the many issues of this bill.

*In the current biennium Oregon has a ~\$33.5 billion General Fund and Lottery Fund budget and 1,752,000 Oregon households. Thus the state is spending \$19,000 per household this biennium

**\$2 billion to buy an expansion team from MLB, and someplace over \$2 Billion for the stadium, plus start up costs, let's assume \$4.5 billion.

***.8 divided by 4.5.

Questions for LRO:

Under your calculations, if we pass SB 110A, will the note for \$800 million plus interest be paid off within the 30 years of the contract? If not, how much could be financed? When would \$150 million be paid off?

The proposed stadium property is in a Tax Increment Financing/Urban Renewal District. What property taxes would be paid on the facility and, if any are paid, how much would go to supporting the operations of local schools and other local services?

From the experience of other states, will any annual income or excise taxes be paid to the state by the baseball business itself? Would the team pay any corporate income/excise taxes?

How much would you expect their CAT tax to be?

In other states, what percentage of baseball team revenue comes from local residents and sponsorships vs visitors, broadcasting rights, and other outside dollars?

How much additional revenue would the state receive under the -9 amendment?

Diamond Project Questions:

Who will own the stadium and be responsible for the cost of maintaining it, upgrading it and removing it so the public isn't left with a ghost stadium when the team wants a better stadium, or moves on?

Are the 482 jobs in the ECONorthwest study full time jobs, or FTEs?

What percentage of these jobs will have their taxes captured as pay over the \$100,000 in the bill?

Who is the investor with \$2 billion for a team, and another \$1.2+ billion for a stadium plus operating costs?

Has PBOT agreed that 32,000 people can reasonably get to a game without huge traffic problems? What is the specific plan?

What additional infrastructure will the project require for which you will seek PBOT or TIF financing and what is the estimated cost of these improvements?