

SB 1501 B BUDGET REPORT and MEASURE SUMMARY

Carrier: Sen. Wagner, Sen. Lieber

Joint Committee On Ways and Means

Action Date: 03/02/26

Action: Do pass with amendments to the A-Eng bill. (Printed B-Eng.)

Senate Vote

Yeas: 10 - Anderson, Campos, Frederick, Lieber, Manning Jr, McLane, Neron Misslin, Smith DB, Sollman, Starr

Exc: 1 - Girod

House Vote

Yeas: 12 - Bowman, Breese-Iverson, Elmer, Evans, Gomberg, Levy E, Nosse, Owens, Ruiz, Sanchez, Smith G, Valderrama

Exc: 1 - Reschke

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Reviewed By: Katie Bannikov, Legislative Fiscal Office

Department of Administrative Services

2025-27

Budget Summary*

	2025-27 Legislatively Approved Budget ⁽¹⁾	2026 Committee Recommendation	Committee Change from 2025-27 Leg. Approved	
			\$ Change	% Change
General Fund	\$ -	\$ 1,511,985	\$ 1,511,985	100.0%
Total	\$ -	\$ 1,511,985	\$ 1,511,985	100.0%

Position Summary

Authorized Positions	0	1	1
Full-time Equivalent (FTE) positions	0.00	0.63	0.63

⁽¹⁾ Includes adjustments through January 2026

* Excludes Capital Construction expenditures

Summary of Revenue Changes

Senate Bill 1501 appropriates \$1,511,985 General Fund to the Department of Administrative Services (DAS) to conduct the necessary activities, with the Governor's Office and the Attorney General, to establish a joint authority to own and oversee the operations of the Moda Center. The bill creates the Oregon Arena Fund as separate and distinct from the General Fund and declares the Legislative Assembly's intent to issue debt to net \$365,000,000 in bond proceeds to support the construction and renovation of the Moda Center.

Summary of Capital Construction Subcommittee Action

Senate Bill 1501 authorizes DAS, in consultation with the Governor and the Attorney General, to negotiate and enter into agreements with other public entities to create a joint authority that will own and oversee the operations of the Moda Center. The measure creates the Oregon Arena Fund to pay for expenses of the joint authority, including construction, renovation, maintenance, and debt payments. DAS will manage the fund, which includes money from state-issued debt and deposits from Multnomah County. The fund may only support construction, renovation, maintenance, deferred maintenance, and debt service for the Moda Center.

Senate Bill 1501 directs the Department of Revenue (DOR), starting September 1, 2027, and every three months after, to track the total wage-withholding amounts from employers for work performed in the Rose Quarter and for construction work tied to improving the Moda Center. Beginning July 1, 2028, and every July afterward, the measure directs the DAS Office of Economic Analysis to estimate the taxes

performers paid on income earned from Rose Quarter performances during the past 12 months. Once DAS receives these figures, DAS must transfer an equal amount from the General Fund into the Oregon Arena Fund.

The measure prohibits the state from issuing any debt for the Moda Center until several conditions occur. These conditions include approval of the Trail Blazers' sale, creation of a joint authority with the City of Portland, approval of renovation plans, and financial commitments from Portland and Multnomah County. The joint authority and the management group must also sign agreements that create a 20-year lease, establish project oversight rules, assign responsibility for cost overruns, include legal protections for both parties, and engage in good-faith discussions regarding amendments to the terms of the agreements, without obligating any party to agree to any amendments.

The subcommittee recommends a General Fund appropriation of \$1,511,985 to DAS to fund one permanent, full-time Operations and Policy Analyst 4 position (0.63 FTE)); to pay legal costs for rulemaking and negotiating a joint authority agreement; to retain a professional with expertise in arena negotiations to review information on recent comparable National Basketball Association arena projects in similar-sized markets ; and to expand an existing contract with financial advisors who have experience in arena financing and joint authority agreements.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of Administrative Services
Tamara Brickman -- 971-719-3492

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SUBCOMMITTEE ADJUSTMENTS									
SCR 060 - Enterprise Asset Management									
Personal Services	\$ 195,004	\$ -	\$ -	\$ -	\$ -	\$ -	195,004	1	0.63
Services and Supplies	\$ 1,316,981	\$ -	\$ -	\$ -	\$ -	\$ -	1,316,981		
SUBCOMMITTEE RECOMMENDATION *	\$ 1,511,985	\$ -	\$ -	\$ -	\$ -	\$ -	1,511,985	1	0.63
% Change from 2025-27 Leg Approved Budget	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%
*Excludes Capital Construction Expenditures									