

**SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION**

S.F. No. 2218

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DATE	D-PG	OFFICIAL STATUS
05/16/2015	3601	Introduction and first reading Referred to State and Local Government

A bill for an act

relating to state government; providing a process for community ownership of a major league soccer team; proposing coding for new law as Minnesota Statutes, chapter 4B.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. [4B.01] PURPOSE.

The legislature determines that:

(1) a major league soccer team can be an important asset to the state of Minnesota and ensuring that a team is located in Minnesota is an important public purpose;

(2) providing broad-based local ownership of a major league soccer team develops trust among fans, taxpayers, and the team;

(3) providing community ownership of a major league soccer team ensures that the financial benefits of any increased value of the team will accrue to those members of the community who own the team; and

(4) enacting legislation providing for community ownership indicates support for major league soccer in Minnesota.

Sec. 2. [4B.02] COMMUNITY OWNERSHIP.

The governor must attempt to facilitate the formation of a corporation to acquire a major league soccer team and to identify an individual private managing owner of the team. A corporation formed to acquire a team shall have a capital structure in compliance with all of the following provisions:

2.1 (1) there may be two classes of capital stock: common stock and preferred stock.
2.2 Both classes of stock must give holders voting rights with respect to any relocation or
2.3 voluntary contraction of the team;

2.4 (2) the private managing owner must own no less than 25 percent and no more than
2.5 35 percent of the common stock. For purposes of this restriction, shares of common stock
2.6 owned by the private managing owner include shares of common stock owned by any
2.7 related taxpayer as defined in section 1313(c) of the Internal Revenue Code of 1986, as
2.8 amended. Other than the rights of all other holders of common stock and preferred stock
2.9 with respect to relocation or voluntary contraction of the team, the private managing
2.10 owner must control all aspects of the operation of the corporation;

2.11 (3) other than the private managing owner, no individual or entity may own more
2.12 than five percent of the common stock of the corporation;

2.13 (4) at least 50 percent of the ownership of the common stock must be sold to
2.14 members of the general public in a general solicitation and a person or entity must not
2.15 own more than one percent of common stock of the corporation; and

2.16 (5) the articles of incorporation, bylaws, and other governing documents must provide
2.17 that the franchise may not move outside of the state or agree to voluntary contraction
2.18 without approval of at least 75 percent of the shares of common stock and at least 75 percent
2.19 of the shares of preferred stock. Notwithstanding any law to the contrary, these 75 percent
2.20 approval requirements shall not be amended by the shareholders or by any other means.

2.21 Except as specifically provided by this section, no state agency may spend money
2.22 from any state fund for the purpose of generating revenue under this subdivision or for the
2.23 purpose of providing operating support or defraying operating losses of a professional
2.24 soccer team.