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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. **749**

02/20/2013 Authored by Paymar; Mahoney; Johnson, S.; Lesch and Davnie  
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act  
1.2 relating to the city of St. Paul; providing for funding of a minor league ball park  
1.3 and other economic activities in the city; amending Laws 1993, chapter 375,  
1.4 article 9, section 46, subdivisions 2, as amended, 5, as amended.

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

1.6 Section 1. Laws 1993, chapter 375, article 9, section 46, subdivision 2, as amended by  
1.7 Laws 1997, chapter 231, article 7, section 40, Laws 1998, chapter 389, article 8, section  
1.8 30, Laws 2003, First Special Session chapter 21, article 8, section 13, Laws 2005, First  
1.9 Special Session chapter 3, article 5, section 26, and Laws 2009, chapter 88, article 4,  
1.10 section 15, is amended to read:

1.11 Subd. 2. **Use of revenues.** Revenues received from the tax authorized by subdivision  
1.12 1 may only be used by the city to pay the cost of collecting the tax, and, except as provided in  
1.13 paragraph (e), to pay for the following projects or to secure or pay any principal, premium,  
1.14 or interest on bonds issued in accordance with subdivision 3 for the following projects.

1.15 (a) To pay all or a portion of the capital expenses of construction, equipment and  
1.16 acquisition costs for the expansion and remodeling of the St. Paul Civic Center complex,  
1.17 including the demolition of the existing arena and the construction and equipping of a  
1.18 new arena.

1.19 (b) Except as provided in paragraphs (e) and (f), the remainder of the funds must be  
1.20 spent for:

1.21 (1) capital projects to further residential, cultural, commercial, and economic  
1.22 development in both downtown St. Paul and St. Paul neighborhoods; and

2.1 (2) capital and operating expenses of cultural organizations in the city, provided  
 2.2 that the amount spent under this clause must equal ten percent of the total amount spent  
 2.3 under this paragraph in any year.

2.4 (c) The amount apportioned under paragraph (b) shall be no less than 60 percent  
 2.5 of the revenues derived from the tax each year, except to the extent that a portion of that  
 2.6 amount is required to pay debt service on (1) bonds issued for the purposes of paragraph (a)  
 2.7 prior to March 1, 1998; or (2) bonds issued for the purposes of paragraph (a) after March 1,  
 2.8 1998, but only if the city council determines that 40 percent of the revenues derived from  
 2.9 the tax together with other revenues pledged to the payment of the bonds, including the  
 2.10 proceeds of definitive bonds, is expected to exceed the annual debt service on the bonds.

2.11 (d) If in any year more than 40 percent of the revenue derived from the tax authorized  
 2.12 by subdivision 1 is used to pay debt service on the bonds issued for the purposes of  
 2.13 paragraph (a) and to fund a reserve for the bonds, the amount of the debt service payment  
 2.14 that exceeds 40 percent of the revenue must be determined for that year. In any year when  
 2.15 40 percent of the revenue produced by the sales tax exceeds the amount required to pay  
 2.16 debt service on the bonds and to fund a reserve for the bonds under paragraph (a), the  
 2.17 amount of the excess must be made available for capital projects to further residential,  
 2.18 cultural, commercial, and economic development in the neighborhoods and downtown  
 2.19 until the cumulative amounts determined for all years under the preceding sentence have  
 2.20 been made available under this sentence. The amount made available as reimbursement in  
 2.21 the preceding sentence is not included in the 60 percent determined under paragraph (c).

2.22 (e) ~~In each of calendar years 2006 to 2014, revenue not to exceed \$3,500,000 may be~~  
 2.23 ~~used to pay the principal of bonds issued for capital projects of the city. After December~~  
 2.24 ~~31, 2014, revenue from the tax imposed under subdivision 1 may not be used for this~~  
 2.25 ~~purpose. If the amount necessary to meet obligations under paragraphs (a) and (d) are less~~  
 2.26 ~~than 40 percent of the revenue from the tax in any year, the city may place the difference~~  
 2.27 ~~between 40 percent of the revenue and the amounts allocated under paragraphs (a) and (d)~~  
 2.28 ~~in an economic development fund to be used for any economic development purposes.~~

2.29 (f) By January 15 of each year, the mayor and the city council must report to the  
 2.30 legislature on the use of sales tax revenues during the preceding one-year period.

2.31 **EFFECTIVE DATE.** This section is effective the day after compliance by the  
 2.32 governing body of the city of St. Paul with Minnesota Statutes, section 645.021,  
 2.33 subdivisions 2 and 3.

2.34 Sec. 2. Laws 1993, chapter 375, article 9, section 46, subdivision 5, as amended by  
 2.35 Laws 1998, chapter 389, article 8, section 32, is amended to read:

3.1 Subd. 5. **Expiration of taxing authority.** The authority granted by subdivision 1 to  
 3.2 the city to impose a sales tax shall expire on December 31, ~~2030~~ 2047, or at an earlier  
 3.3 time as the city shall, by ordinance, determine. Any funds remaining after completion of  
 3.4 projects approved under subdivision 2, paragraph (a) and retirement or redemption of any  
 3.5 bonds or other obligations may be placed in the general fund of the city.

3.6 **EFFECTIVE DATE.** This section is effective the day after compliance by the  
 3.7 governing body of the city of St. Paul with Minnesota Statutes, section 645.021,  
 3.8 subdivisions 2 and 3.

3.9 Sec. 3. **ST. PAUL BALL PARK, PROPERTY TAX EXEMPTION; SPECIAL**  
 3.10 **ASSESSMENT.**

3.11 Any real or personal property acquired, owned, leased, controlled, used, or occupied  
 3.12 by the city of St. Paul for the primary purpose of providing a ball park for a minor league  
 3.13 baseball team is declared to be acquired, owned, leased, controlled, used, and occupied for  
 3.14 public, governmental, and municipal purposes, and is exempt from ad valorem taxation  
 3.15 by the state or any political subdivision of the state, provided that the properties are  
 3.16 subject to special assessments levied by a political subdivision for a local improvement in  
 3.17 amounts proportionate to and not exceeding the special benefit received by the properties  
 3.18 from the improvement. In determining the special benefit received by the properties, no  
 3.19 possible use of any of the properties in any manner different from their intended use  
 3.20 for providing a minor league ballpark at the time may be considered. Notwithstanding  
 3.21 Minnesota Statutes, sections 272.01, subdivision 2, or 273.19, real or personal property  
 3.22 subject to a lease or use agreement between the city and another person for uses related to  
 3.23 the purposes of the operation of the ballpark and related parking facilities is exempt from  
 3.24 taxation regardless of the length of the lease or use agreement. This section, insofar as it  
 3.25 provides an exemption or special treatment, does not apply to any real property that is  
 3.26 leased for residential, business, or commercial development or other purposes different  
 3.27 from those necessary to the provision and operation of the ball park.

3.28 **EFFECTIVE DATE.** This section is effective the day after compliance by the  
 3.29 governing body of the city of St. Paul with Minnesota Statutes, section 645.021,  
 3.30 subdivisions 2 and 3.