

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-SEVENTH LEGISLATURE**      **S.F. No. 2599**

(SENATE AUTHORS: METZEN, Jungbauer, Tomassoni and Wiger)

DATE	D-PG	OFFICIAL STATUS
04/05/2012	5785	Introduction and first reading Referred to Local Government and Elections
04/16/2012		Author added Wiger

A bill for an act

1.1 relating to stadiums; providing for a new National Football League Stadium  
1.2 in Minnesota; establishing a Minnesota Stadium Authority; abolishing the  
1.3 Metropolitan Sports Facilities Commission; providing for use of certain local  
1.4 tax revenue; authorizing electronic pull-tabs and bingo; authorizing the sale  
1.5 and issuance of state appropriation bonds; appropriating money; amending  
1.6 Minnesota Statutes 2010, sections 3.971, subdivision 6; 3.9741, by adding a  
1.7 subdivision; 13.55, subdivision 1; 297A.71, by adding subdivisions; 349.12,  
1.8 subdivisions 3b, 3c, 5, 6a, 12a, 18, 25b, 25c, 25d, 29, 31, 32, by adding  
1.9 subdivisions; 349.13; 349.151, subdivisions 4b, 4c, by adding a subdivision;  
1.10 349.161, subdivisions 1, 5; 349.162, subdivision 5; 349.163, subdivisions 1, 5,  
1.11 6; 349.1635, subdivisions 2, 3, by adding a subdivision; 349.17, subdivisions  
1.12 6, 7, 8, by adding a subdivision; 349.1721; 349.18, subdivision 1; 349.19,  
1.13 subdivisions 2, 3, 5, 10; 349.211, subdivision 1a; 352.01, subdivision 2a;  
1.14 473.121, subdivision 5a; 473.164; 473.565, subdivision 1; Minnesota Statutes  
1.15 2011 Supplement, sections 10A.01, subdivision 35; 340A.404, subdivision 1;  
1.16 proposing coding for new law in Minnesota Statutes, chapter 16A; proposing  
1.17 coding for new law as Minnesota Statutes, chapter 473J; repealing Minnesota  
1.18 Statutes 2010, sections 473.551; 473.552; 473.553, subdivisions 1, 2, 3, 4, 5, 6,  
1.19 7, 8, 9, 10, 11, 12, 13; 473.556, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12,  
1.20 13, 14, 16, 17; 473.561; 473.564, subdivisions 2, 3; 473.572; 473.581; 473.592,  
1.21 subdivision 1; 473.595; 473.598; 473.599; 473.76.

1.22  
1.23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

**ARTICLE 1**

**MINNESOTA STADIUM AUTHORITY**

1.24  
1.25  
1.26 Section 1. Minnesota Statutes 2010, section 3.971, subdivision 6, is amended to read:

1.27 Subd. 6. **Financial audits.** The legislative auditor shall audit the financial  
1.28 statements of the state of Minnesota required by section 16A.50 and, as resources permit,  
1.29 shall audit Minnesota State Colleges and Universities, the University of Minnesota, state  
1.30 agencies, departments, boards, commissions, courts, and other state organizations subject  
1.31 to audit by the legislative auditor, including the State Agricultural Society, Agricultural

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2.1 Utilization Research Institute, Enterprise Minnesota, Inc., Minnesota Historical  
2.2 Society, Labor Interpretive Center, Minnesota Partnership for Action Against Tobacco,  
2.3 Metropolitan Sports Facilities Commission, Minnesota Stadium Authority, Metropolitan  
2.4 Airports Commission, and Metropolitan Mosquito Control District. Financial audits  
2.5 must be conducted according to generally accepted government auditing standards. The  
2.6 legislative auditor shall see that all provisions of law respecting the appropriate and  
2.7 economic use of public funds are complied with and may, as part of a financial audit or  
2.8 separately, investigate allegations of noncompliance.

2.9 Sec. 2. Minnesota Statutes 2010, section 3.9741, is amended by adding a subdivision  
2.10 to read:

2.11 Subd. 4. **Minnesota Stadium Authority.** Upon the audit of the financial accounts  
2.12 and affairs of the Minnesota Stadium Authority, the authority is liable to the state for the  
2.13 total cost and expenses of the audit, including the salaries paid to the examiners while  
2.14 actually engaged in making the examination. The legislative auditor may bill the authority  
2.15 either monthly or at the completion of the audit. All collections received for the audits  
2.16 must be deposited in the general fund.

2.17 Sec. 3. Minnesota Statutes 2011 Supplement, section 10A.01, subdivision 35, is  
2.18 amended to read:

2.19 Subd. 35. **Public official.** "Public official" means any:

2.20 (1) member of the legislature;

2.21 (2) individual employed by the legislature as secretary of the senate, legislative  
2.22 auditor, chief clerk of the house of representatives, revisor of statutes, or researcher,  
2.23 legislative analyst, or attorney in the Office of Senate Counsel and Research or House  
2.24 Research;

2.25 (3) constitutional officer in the executive branch and the officer's chief administrative  
2.26 deputy;

2.27 (4) solicitor general or deputy, assistant, or special assistant attorney general;

2.28 (5) commissioner, deputy commissioner, or assistant commissioner of any state  
2.29 department or agency as listed in section 15.01 or 15.06, or the state chief information  
2.30 officer;

2.31 (6) member, chief administrative officer, or deputy chief administrative officer of a  
2.32 state board or commission that has either the power to adopt, amend, or repeal rules under  
2.33 chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;

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- 3.1 (7) individual employed in the executive branch who is authorized to adopt, amend,  
3.2 or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;
- 3.3 (8) executive director of the State Board of Investment;
- 3.4 (9) deputy of any official listed in clauses (7) and (8);
- 3.5 (10) judge of the Workers' Compensation Court of Appeals;
- 3.6 (11) administrative law judge or compensation judge in the State Office of  
3.7 Administrative Hearings or unemployment law judge in the Department of Employment  
3.8 and Economic Development;
- 3.9 (12) member, regional administrator, division director, general counsel, or operations  
3.10 manager of the Metropolitan Council;
- 3.11 (13) member or chief administrator of a metropolitan agency;
- 3.12 (14) director of the Division of Alcohol and Gambling Enforcement in the  
3.13 Department of Public Safety;
- 3.14 (15) member or executive director of the Higher Education Facilities Authority;
- 3.15 (16) member of the board of directors or president of Enterprise Minnesota, Inc.;
- 3.16 (17) member of the board of directors or executive director of the Minnesota State  
3.17 High School League;
- 3.18 (18) member of the Minnesota Ballpark Authority established in section 473.755;
- 3.19 (19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;
- 3.20 (20) manager of a watershed district, or member of a watershed management  
3.21 organization as defined under section 103B.205, subdivision 13;
- 3.22 (21) supervisor of a soil and water conservation district;
- 3.23 (22) director of Explore Minnesota Tourism;
- 3.24 (23) citizen member of the Lessard-Sams Outdoor Heritage Council established in  
3.25 section 97A.056; ~~or~~
- 3.26 (24) ~~a~~ citizen member of the Clean Water Council established in section 114D.30; or
- 3.27 (25) member or chief executive of the Minnesota Stadium Authority established  
3.28 in section 473J.07.

3.29 Sec. 4. Minnesota Statutes 2010, section 297A.71, is amended by adding a subdivision  
3.30 to read:

3.31 Subd. 43. **Building materials; football stadium.** Materials and supplies used or  
3.32 consumed in, and equipment incorporated into, the construction or improvement of the  
3.33 football stadium and stadium infrastructure as defined in section 473J.03, subdivisions 7  
3.34 and 9, are exempt. The same exemption applies to all supplies used in, and equipment  
3.35 incorporated into, the construction or improvement of the stadium-related off-site roadway

4.1 and transportation improvements. This subdivision expires one year after the date that the  
4.2 first National Football League game is played in the stadium for materials, supplies, and  
4.3 equipment used in the construction and equipping of the stadium, and five years after the  
4.4 issuance of the first bonds under article 2 for materials, supplies, and equipment used in  
4.5 the public infrastructure, including the stadium-related off-site roadway and transportation  
4.6 improvements.

4.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

4.8 Sec. 5. Minnesota Statutes 2011 Supplement, section 340A.404, subdivision 1, is  
4.9 amended to read:

4.10 Subdivision 1. **Cities.** (a) A city may issue an on-sale intoxicating liquor license to  
4.11 the following establishments located within its jurisdiction:

4.12 (1) hotels;

4.13 (2) restaurants;

4.14 (3) bowling centers;

4.15 (4) clubs or congressionally chartered veterans organizations with the approval of  
4.16 the commissioner, provided that the organization has been in existence for at least three  
4.17 years and liquor sales will only be to members and bona fide guests, except that a club  
4.18 may permit the general public to participate in a wine tasting conducted at the club under  
4.19 section 340A.419;

4.20 (5) sports facilities, restaurants, clubs, or bars located on land owned or leased by  
4.21 the Minnesota Stadium Authority;

4.22 ~~(5)~~ (6) sports facilities located on land owned by the Metropolitan Sports  
4.23 Commission; and

4.24 ~~(6)~~ (7) exclusive liquor stores.

4.25 (b) A city may issue an on-sale intoxicating liquor license, an on-sale wine license,  
4.26 or an on-sale malt liquor license to a theater within the city, notwithstanding any law, local  
4.27 ordinance, or charter provision. A license issued under this paragraph authorizes sales on  
4.28 all days of the week to persons attending events at the theater.

4.29 (c) A city may issue an on-sale intoxicating liquor license, an on-sale wine license,  
4.30 or an on-sale malt liquor license to a convention center within the city, notwithstanding  
4.31 any law, local ordinance, or charter provision. A license issued under this paragraph  
4.32 authorizes sales on all days of the week to persons attending events at the convention  
4.33 center. This paragraph does not apply to convention centers located in the seven-county  
4.34 metropolitan area.

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5.1 (d) A city may issue an on-sale wine license and an on-sale malt liquor license to  
5.2 a person who is the owner of a summer collegiate league baseball team, or to a person  
5.3 holding a concessions or management contract with the owner, for beverage sales at a  
5.4 ballpark or stadium located within the city for the purposes of summer collegiate league  
5.5 baseball games at the ballpark or stadium, notwithstanding any law, local ordinance, or  
5.6 charter provision. A license issued under this paragraph authorizes sales on all days of the  
5.7 week to persons attending baseball games at the ballpark or stadium.

5.8 Sec. 6. Minnesota Statutes 2010, section 352.01, subdivision 2a, is amended to read:

5.9 Subd. 2a. **Included employees.** (a) "State employee" includes:

5.10 (1) employees of the Minnesota Historical Society;

5.11 (2) employees of the State Horticultural Society;

5.12 (3) employees of the Minnesota Crop Improvement Association;

5.13 (4) employees of the adjutant general whose salaries are paid from federal funds and  
5.14 who are not covered by any federal civilian employees retirement system;

5.15 (5) employees of the Minnesota State Colleges and Universities who are employed  
5.16 under the university or college activities program;

5.17 (6) currently contributing employees covered by the system who are temporarily  
5.18 employed by the legislature during a legislative session or any currently contributing  
5.19 employee employed for any special service as defined in subdivision 2b, clause (8);

5.20 (7) employees of the legislature who are appointed without a limit on the duration  
5.21 of their employment and persons employed or designated by the legislature or by a  
5.22 legislative committee or commission or other competent authority to conduct a special  
5.23 inquiry, investigation, examination, or installation;

5.24 (8) trainees who are employed on a full-time established training program  
5.25 performing the duties of the classified position for which they will be eligible to receive  
5.26 immediate appointment at the completion of the training period;

5.27 (9) employees of the Minnesota Safety Council;

5.28 (10) any employees who are on authorized leave of absence from the Transit  
5.29 Operating Division of the former Metropolitan Transit Commission and who are employed  
5.30 by the labor organization which is the exclusive bargaining agent representing employees  
5.31 of the Transit Operating Division;

5.32 (11) employees of the Metropolitan Council, Metropolitan Parks and Open Space  
5.33 Commission, Metropolitan Sports Facilities Commission, or Metropolitan Mosquito  
5.34 Control Commission unless excluded under subdivision 2b or are covered by another  
5.35 public pension fund or plan under section 473.415, subdivision 3;

6.1 (12) judges of the Tax Court;

6.2 (13) personnel who were employed on June 30, 1992, by the University of  
6.3 Minnesota in the management, operation, or maintenance of its heating plant facilities,  
6.4 whose employment transfers to an employer assuming operation of the heating plant  
6.5 facilities, so long as the person is employed at the University of Minnesota heating plant  
6.6 by that employer or by its successor organization;

6.7 (14) personnel who are employed as seasonal employees in the classified or  
6.8 unclassified service;

6.9 (15) persons who are employed by the Department of Commerce as a peace officer  
6.10 in the Insurance Fraud Prevention Division under section 45.0135 who have attained the  
6.11 mandatory retirement age specified in section 43A.34, subdivision 4;

6.12 (16) employees of the University of Minnesota unless excluded under subdivision  
6.13 2b, clause (3);

6.14 (17) employees of the Middle Management Association whose employment began  
6.15 after July 1, 2007, and to whom section 352.029 does not apply; and

6.16 (18) employees of the Minnesota Government Engineers Council to whom section  
6.17 352.029 does not apply; and

6.18 (19) employees of the Minnesota Stadium Authority.

6.19 (b) Employees specified in paragraph (a), clause (13), are included employees under  
6.20 paragraph (a) if employer and employee contributions are made in a timely manner in the  
6.21 amounts required by section 352.04. Employee contributions must be deducted from  
6.22 salary. Employer contributions are the sole obligation of the employer assuming operation  
6.23 of the University of Minnesota heating plant facilities or any successor organizations to  
6.24 that employer.

6.25 **Sec. 7. [473J.01] PURPOSE.**

6.26 The purpose of this chapter is to provide for the construction, financing, and  
6.27 long-term use of a stadium and related stadium infrastructure as a venue for professional  
6.28 football and a broad range of other civic, community, athletic, educational, cultural,  
6.29 and commercial activities. The legislature finds and declares that the expenditure of  
6.30 public money for this purpose is necessary and serves a public purpose, and that property  
6.31 acquired by the county and/or the Minnesota Stadium Authority for the construction of the  
6.32 stadium and related stadium infrastructure is acquired for a public use or public purpose  
6.33 under chapter 117. The legislature further finds and declares that any provision in a lease  
6.34 or use agreement with a professional football team that requires the team to play all of its  
6.35 home games in a publicly funded stadium for the duration of the lease or use agreement,

7.1 with the occasional exception of a game played elsewhere as set forth in such agreement,  
7.2 serves a unique public purpose for which the remedies of specific performance and  
7.3 injunctive relief are essential to its enforcement. The legislature further finds and declares  
7.4 that government assistance to facilitate the presence of professional football provides to  
7.5 the state of Minnesota and its citizens highly valued intangible benefits that are virtually  
7.6 impossible to quantify and, therefore, not recoverable even if the government receives  
7.7 monetary damages in the event of a team's breach of contract. Minnesota courts are,  
7.8 therefore, charged with protecting those benefits through the use of specific performance  
7.9 and injunctive relief as provided in this chapter and in the lease and use agreements.

7.10 Section 8. **[473J.03] DEFINITIONS.**

7.11 Subdivision 1. **Application.** For the purposes of this chapter, the terms defined in  
7.12 this section have the meanings given them, except as otherwise expressly provided or  
7.13 indicated by the context.

7.14 Subd. 2. **Authority.** "Authority" means the Minnesota Stadium Authority  
7.15 established under section 473J.07.

7.16 Subd. 3. **Authority/NFL team agreement.** "Authority/NFL team agreement"  
7.17 means the agreement or agreements to be entered into between the authority and the  
7.18 NFL team.

7.19 Subd. 4. **City.** "City" means the city of Arden Hills.

7.20 Subd. 5. **County.** "County" means Ramsey County.

7.21 Subd. 6. **County/NFL team agreement.** "County/NFL team agreement" means  
7.22 the definitive agreement or agreements to be entered into between the county and the  
7.23 NFL team.

7.24 Subd. 7. **County/authority agreement.** "County/authority agreement" means the  
7.25 agreement or agreements to be entered into between the county and the authority.

7.26 Subd. 8. **Development area.** "Development area" means the approximately 170 acre  
7.27 portion of the Twin Cities Army Ammunitions Plant property in Arden Hills, on which  
7.28 private development will occur as further described in the county/NFL team agreement.

7.29 Subd. 9. **Land acquisition costs.** "Land acquisition costs" mean the costs of  
7.30 acquiring the land for the stadium project, which includes the cost for remediating the  
7.31 site to allow commercial-industrial development to occur.

7.32 Subd. 10. **Infrastructure costs.** "Infrastructure costs" mean the costs of the  
7.33 stadium-related infrastructure.

7.34 Subd. 11. **NFL.** The "NFL" means the National Football League.

8.1            Subd. 12. **NFL team.** "NFL team" means the owner and operator of the NFL  
8.2 professional football team known, as of the effective date of this chapter, as the Minnesota  
8.3 Vikings or any team owned and operated by someone who purchases or otherwise takes  
8.4 ownership or control of or reconstitutes the NFL team known as the Minnesota Vikings.

8.5            Subd. 13. **Site.** "Site" means the 430-acre parcel included within the Twin Cities  
8.6 Army Ammunition Plant property in Arden Hills to be purchased by the county from the  
8.7 United States of America.

8.8            Subd. 14. **Stadium.** "Stadium" means the stadium suitable for professional football  
8.9 to be designed, constructed, and financed under this chapter. A stadium must have a roof  
8.10 that covers the stadium, as set forth in section 473J.11, subdivision 3.

8.11           Subd. 15. **Stadium costs.** "Stadium costs" means the costs of designing,  
8.12 constructing, equipping, and financing a stadium suitable for professional football.

8.13           Subd. 16. **Stadium infrastructure.** "Stadium infrastructure" means all property  
8.14 facilities, and improvements determined by the authority as necessary or desirable to  
8.15 facilitate the development and use of the stadium, including but not limited to property,  
8.16 facilities and improvements for drainage, water management, parking, on-site roadways  
8.17 and public rights-of-way, walkways, skyways, pedestrian bridges, bicycle paths, and  
8.18 transit improvements to facilitate public access to the stadium, lighting, landscaping,  
8.19 utilities, streets, and streetscapes. Stadium infrastructure does not include off-site roadway  
8.20 and other transportation infrastructure improvements.

8.21           Subd. 17. **Stadium project.** "Stadium project" means the stadium and  
8.22 accompanying on-site infrastructure. It does not include ancillary private real estate  
8.23 development.

8.24           Subd. 18. **Stadium area.** "Stadium area" means the approximately 260 acre portion  
8.25 of the Twin Cities Army Ammunitions Plant property in Arden Hills the definitive  
8.26 boundaries of which shall be determined by the county and agreed to by the NFL team.

8.27           Subd. 19. **Streetscape.** "Streetscape" means on-site improvements to streets and  
8.28 sidewalks or other public rights-of-way for the purpose of enhancing the movement,  
8.29 safety, convenience, or enjoyment of stadium patrons and other pedestrians, including  
8.30 decorative lighting and surfaces, plantings, display and exhibit space, adornments, seating,  
8.31 and transit and but shelters.

8.32           Subd. 20. **Watershed district.** "Watershed district" means the Rice Creek  
8.33 Watershed District.

8.34           **Sec. 9. [473J.05] MINNESOTA STADIUM AUTHORITY.**

9.1           Subdivision 1. **Established.** The Minnesota Stadium Authority is established as a  
9.2 public body, corporate and politic, and political subdivision of the state. The authority is  
9.3 not a joint powers entity or an agency or instrumentality of the city or county.

9.4           Subd. 2. **Membership.** The authority shall consist of five members:

9.5           (a) The chair and one member shall be appointed by the governor. The member  
9.6 appointed by the governor shall serve until December 31 of the third year following  
9.7 appointment and the chair shall serve until December 31 of the fourth year following  
9.8 appointment. Thereafter, members appointed by the governor shall serve four-year terms,  
9.9 beginning January 1. Each member serves until a successor is appointed and takes office.  
9.10 The chair serves at the pleasure of the governor.

9.11           (b) The county shall appoint two members to the authority. One member appointed  
9.12 by the county shall serve until December 31 of the third year following appointment and  
9.13 one member shall serve until December 31 of the fourth year following appointment.  
9.14 Thereafter, members appointed by the county shall serve four-year terms beginning  
9.15 January 1. The city shall appoint one member to the authority, who shall serve until  
9.16 December 31 of the third year following appointment. Thereafter, the member appointed  
9.17 by the city shall serve a four-year term beginning January 1. Each member serves until a  
9.18 successor is appointed and takes office. Members appointed under this paragraph may  
9.19 reside within the county and city and may be appointed officials of a political subdivision.

9.20           (c) The initial members of the authority must be appointed not later than 30 days  
9.21 after the date of enactment of this chapter.

9.22           Subd. 3. **Compensation.** The authority may compensate its members, including  
9.23 the chair, as provided in section 15.0575.

9.24           Subd. 4. **Chair.** The chair presides at all meetings of the authority, if present, and  
9.25 performs all other assigned duties and functions. The authority may appoint from among  
9.26 its members a vice-chair to act for the chair during the temporary absence or disability of  
9.27 the chair, and any other officers the authority determines are necessary or convenient.

9.28           Subd. 5. **Removal.** A member, other than the chair, may be removed by the  
9.29 appointing authority only for misfeasance, malfeasance, or nonfeasance in office, upon  
9.30 written charges, and after an opportunity to be heard in defense of the charges.

9.31           Subd. 6. **Bylaws.** The authority shall adopt bylaws to establish rules of procedure,  
9.32 the powers and duties of its officers, and other matters relating to the governance of the  
9.33 authority and the exercise of its powers. Except as provided in this section, the bylaws  
9.34 adopted under this subdivision must be similar in form and substance to bylaws adopted  
9.35 by the Minnesota Ballpark Authority pursuant to section 473.755.

10.1            Subd. 7. **Audit.** The legislative auditor shall audit the books and accounts of the  
10.2 authority once each year or as often as the legislative auditor's funds and personnel permit.  
10.3 The authority shall pay the total cost of the audit pursuant to section 3.9741.

10.4            Subd. 8. **Executive director; employees.** The authority may appoint an executive  
10.5 director to serve as the chief executive officer of the authority. The executive director  
10.6 serves at the pleasure of the authority and receives compensation as determined by the  
10.7 authority. The executive director may be responsible for the operation, management, and  
10.8 promotion of activities of the authority, as prescribed by the authority. The executive  
10.9 director has the powers necessarily incident to the performance of duties required and  
10.10 powers granted by the authority, but does not have authority to incur liability or make  
10.11 expenditures on behalf of the authority without general or specific directions by the  
10.12 authority, as shown by the bylaws or minutes of a meeting of the authority. The executive  
10.13 director is responsible for hiring, supervision, and dismissal of all other employees of  
10.14 the authority.

10.15           Subd. 9. **Web site.** The authority shall establish a Web site for purposes of providing  
10.16 information to the public concerning all actions taken by the authority. At a minimum, the  
10.17 Web site must contain a current version of the authority's bylaws, notices of upcoming  
10.18 meetings, minutes of the authority's meetings, and contact telephone, electronic mail, and  
10.19 facsimile numbers for public comments.

10.20           Subd. 10. **Quorum; approvals.** Any three members shall constitute a quorum for  
10.21 the conduct of business and action may be taken upon the vote of a majority of members  
10.22 present at a meeting duly called and held. During the design and construction stages of the  
10.23 stadium, a four-fifths vote of the authority is required for authority decisions related to  
10.24 zoning, land use, exterior design of the stadium, related parking, and the selection of the  
10.25 authority's lead representative during design and construction.

10.26           Sec. 10. **[473J.07] LOCATION.**

10.27           The stadium to be constructed under this chapter shall be located in the stadium area  
10.28 of the Twin Cities Army Ammunitions Plant property in the city of Arden Hills. The  
10.29 stadium is expected to be open and operational for the 2016 professional football season.

10.30           Sec. 11. **[473J.08] POWERS, DUTIES OF THE AUTHORITY.**

10.31           Subdivision 1. **Actions.** The authority may sue and be sued. The authority is a public  
10.32 body and the stadium and stadium infrastructure are public improvements within the  
10.33 meaning of chapter 562. The authority is a municipality within the meaning of chapter 466.

11.1            Subd. 2. **Acquisition of property.** The authority may acquire from any public or  
11.2 private entity by lease, purchase, gift, or devise all necessary right, title, and interest in  
11.3 and to real property, air rights, and personal property deemed necessary to the purposes  
11.4 contemplated by this chapter.

11.5            Subd. 3. **Disposition of property.** The authority may sell, lease, or otherwise  
11.6 dispose of any real or personal property acquired by the authority that is no longer required  
11.7 for accomplishment of the authority's purposes. The property may be sold in accordance  
11.8 with the procedures provided by section 469.065, except subdivisions 6 and 7, to the  
11.9 extent the authority deems it to be practical and consistent with this chapter. Title to the  
11.10 stadium must not be transferred or sold by the authority prior to the effective date of  
11.11 enactment of any legislation approving such transfer or sale.

11.12           Subd. 4. **Data practices; open meetings.** Except as otherwise provided in this  
11.13 chapter, the authority is subject to chapters 13 and 13D.

11.14           Subd. 5. **Facility operation.** The authority may, with the approval of the NFL  
11.15 team, develop, construct, equip, improve, own, operate, manage, maintain, finance, and  
11.16 control the stadium, stadium infrastructure, and related facilities constructed or acquired  
11.17 under this chapter, or may delegate all or a portion of such duties through an agreement,  
11.18 subject to the rights and obligations transferred to and assumed by the authority, the NFL  
11.19 team, other user, third-party manager, or program manager, under the terms of a lease,  
11.20 use agreement, or development agreement.

11.21           Subd. 6. **Employees; contracts for services.** The authority may employ persons  
11.22 and contract for services necessary to carry out its functions, including the utilization of  
11.23 employees and consultants retained by other governmental entities.

11.24           Subd. 7. **Gifts, grants, loans.** The authority may accept monetary contributions,  
11.25 property, services, and grants or loans of money or other property from the United States,  
11.26 the state, any subdivision of the state, any agency of those entities, or any person for any  
11.27 of its purposes, and may enter into any agreement required in connection with the gifts,  
11.28 grants, or loans. The authority shall hold, use, and dispose of the money, property, or  
11.29 services according to the terms of the monetary contributions, grant, loan, or agreement.

11.30           Subd. 8. **Use agreements.** The authority may lease, license, or enter into use  
11.31 agreements and may fix, alter, charge, and collect rents, fees, and charges for the use,  
11.32 occupation, and availability of part or all of any premises, property, or facilities under  
11.33 its ownership, operation, or control for purposes that will provide athletic, educational,  
11.34 cultural, commercial, or other entertainment, instruction, or activity for the citizens of  
11.35 Minnesota and visitors. The use agreements may provide that the other contracting party  
11.36 has exclusive use of the premises at the times agreed upon, as well as the right to retain

12.1 some or all revenues from ticket sales, suite licenses, concessions, advertising, naming  
12.2 rights, NFL team designated broadcast/media, club seats, signage, and other revenues  
12.3 derived from the stadium. In no case may a lease or use agreement permit smoking in the  
12.4 stadium.

12.5 Subd. 9. **Personal seat licenses.** The authority shall own and retain the exclusive  
12.6 right to sell personal seat licenses (PSLs) in the stadium, although the authority may  
12.7 contract with the team to act as the authority's agent in marketing and selling such  
12.8 licenses. The NFL team shall receive the proceeds from the sale of such licenses up to a  
12.9 maximum amount of \$125,000,000. The authority shall remit any sale proceeds in excess  
12.10 of \$125,000,000 to the commissioner of revenue for deposit in the general fund for the  
12.11 purposes set out in article 4, section 6, subdivision 4, paragraph (a), of this chapter.

12.12 Subd. 10. **Research.** The authority may conduct research studies and programs;  
12.13 collect and analyze data; prepare reports, maps, charts, and tables; and conduct all  
12.14 necessary hearings and investigations in connection with its functions.

12.15 Subd. 11. **Insurance.** The authority may require any employee to obtain and file  
12.16 with the authority an individual bond or fidelity insurance policy. The authority may  
12.17 procure insurance in the amounts the authority considers necessary against liability of the  
12.18 authority or its officers and employees for personal injury or death and property damage or  
12.19 destruction, consistent with chapter 466, and against risks of damage to or destruction of  
12.20 any of its facilities, equipment, or other property.

12.21 Subd. 12. **Exemption from Metropolitan Council review; Business Subsidy Act.**  
12.22 The acquisition and betterment of a stadium and stadium infrastructure by the authority  
12.23 must be conducted pursuant to this chapter and are not subject to sections 473.165 and  
12.24 473.173. Section 116J.994 does not apply to any transactions of the authority or other  
12.25 governmental entity related to the stadium or stadium infrastructure or to any tenant or  
12.26 other users of the stadium or stadium infrastructure. The Metropolitan Council shall waive  
12.27 any sewer access charges or similar fees and charges customarily imposed attributable to  
12.28 the design and construction of the stadium and stadium infrastructure.

12.29 Subd. 13. **Incidental powers.** In addition to the powers expressly granted in this  
12.30 chapter, the authority has all powers necessary or incidental thereto.

12.31 **Sec. 12. [473J.09] SITE ACQUISITION AND REMEDIATION.**

12.32 Subdivision 1. **Site acquisition.** The stadium and development areas will be  
12.33 acquired by the county pursuant to the terms in the agreement dated December 28, 2011,  
12.34 entitled "Offer to Purchase between Ramsey County and the United States of America  
12.35 Acting by and Through the Administration of General Services." The NFL team or a

13.1 related entity, will immediately thereafter acquire the development area from the county.  
13.2 The county is authorized to buy property from the United States of America and sell a  
13.3 portion directly to the NFL team at the county's acquisition price per acre, notwithstanding  
13.4 any law or ordinance to the contrary. The stadium project is intended to act as the catalyst  
13.5 for the redevelopment and revitalization of the development area. The NFL team shall  
13.6 retain development rights for at least ten years from the date of enactment of this chapter.  
13.7 If the team has not commenced development or provided the county with a reasonably  
13.8 acceptable plan to develop the private land within five years after the opening of the  
13.9 stadium, the county shall have the option, but shall not be required, to purchase the  
13.10 private land from the team at the price per acre that the county paid to the United States  
13.11 government for the property.

13.12 Subd. 2. **Site remediation.** The county will be responsible for the remediation of  
13.13 the stadium and development areas pursuant to the terms of the agreement dated February  
13.14 7, 2012, entitled "Agreement Between Ramsey County and Carl Bolander & Sons Co.  
13.15 for Hazardous Material Abatement, Demolition and Site Remediation – Former Twin  
13.16 Cities Army Ammunition Plant." The site will be remediated to a commercial/industrial  
13.17 standard. Should the private development of the development area require that the land  
13.18 be remediated to a higher standard, the NFL team shall pay for any additional costs  
13.19 associated with such remediation.

13.20 Subd. 3. **Acquisition and remediation costs.** The county and NFL team shall be  
13.21 responsible for the land acquisition costs, which includes the cost of the land purchase  
13.22 from the United States government and the cost of the environmental remediation.

13.23 Subd. 4. **Cost allocation.** The cost to acquire the stadium and development areas  
13.24 and the cost of remediating the site to a commercial/industrial standard will be allocated  
13.25 between the county and the NFL team based on the number of acres owned by each  
13.26 once the development area is sold to the NFL team or its affiliates. A mechanism will be  
13.27 provided in the county NFL team agreement that will allow for public access between  
13.28 the stadium and development areas. A mechanism will also be included in the county  
13.29 NFL team agreement to provide the NFL team with flexibility in determining the final  
13.30 composition of the development area for purposes of locating the stadium footprint and  
13.31 future private development, to be mutually agreed upon by the county, authority, NFL  
13.32 team and other key stakeholders, as appropriate.

13.33 Subd. 5. **Transfer of title.** The county will transfer title to the stadium area to the  
13.34 authority, at no cost to the authority, upon completion of the environmental remediation  
13.35 of the stadium area. The county/authority agreement will provide for the terms and  
13.36 conditions of the transfer of title.

14.1 Sec. 13. [473J.11] STADIUM DESIGN AND CONSTRUCTION.

14.2 Subdivision 1. Contracts. (a) The site preparation, design, development, and  
14.3 construction of the stadium shall be a collaborative process between the authority, county  
14.4 and the NFL team, exempt from the requirements of section 16B.335. The authority,  
14.5 county and the NFL team shall establish a process to reach consensus on key elements of  
14.6 the site preparation, stadium program and design, development, and construction.

14.7 (b) Unless the authority, county and the NFL team agree otherwise:

14.8 (1) the county shall be responsible for the acquisition and environmental remediation  
14.9 of the stadium area;

14.10 (2) the authority shall create a stadium design and construction group, including  
14.11 representatives of the authority, county and the NFL team, to manage the design of the  
14.12 stadium and oversee construction;

14.13 (3) this group shall engage an owner's representative to act on behalf of the group.  
14.14 The cost of the owner's representative shall be a stadium cost; and

14.15 (4) the authority and the NFL team shall enter into an authority/NFL team agreement  
14.16 providing for the rights and responsibilities of the authority and the NFL team, the design  
14.17 and construction group, and the owner's representative for design and construction of the  
14.18 stadium, including but not limited to establishment of minimum design standards.

14.19 (5) the NFL team shall be responsible for cost overruns in the design, development  
14.20 and construction of the stadium, stadium infrastructure and stadium-related off-site  
14.21 roadway and transportation infrastructure improvements and accordingly, shall have  
14.22 final decision-making authority with respect to the design, development and construction  
14.23 of the stadium and stadium infrastructure.

14.24 (c) Subject to the terms and conditions of the authority/NFL team agreement, the  
14.25 authority, and entities under contract with the authority, may take the actions in clauses  
14.26 (1) to (5).

14.27 (1) The authority may enter into an agreement with any other entity relating to the  
14.28 design, construction, financing, operation, maintenance, and use of the stadium and related  
14.29 facilities and stadium infrastructure. The authority may contract for materials, supplies,  
14.30 and equipment in accordance with section 471.345, except that the authority may employ  
14.31 or contract with persons, firms, or corporations to perform one or more or all of the  
14.32 functions of architect, engineer, construction manager, or program manager with respect  
14.33 to all or any part of the design, construction, financing, operation, maintenance, and use of  
14.34 the stadium and stadium infrastructure under the traditional separate design and build,  
14.35 integrated design-build, construction manager at risk, or public and private partnership  
14.36 (P3) structures, or in a combination thereof.

15.1           (2) The authority and the NFL team may prepare a request for proposals for one  
15.2 or more of the functions described in clause (1). The request must be published in the  
15.3 State Register and shall include, at a minimum, such requirements that are agreed to by  
15.4 the authority and the NFL team. The authority and the NFL team may prequalify offerors  
15.5 by issuing a request for qualifications, in advance of the request for proposals, and select a  
15.6 short list of responsible offerors prior to discussions and evaluations. Alternatively, for  
15.7 one or more of the functions, the authority and the NFL team may use the existing county  
15.8 short-list of proposals submitted to the county on or before March 1, 2012, in response to  
15.9 a county request for qualifications.

15.10           (3) The authority, with the participation of the NFL team, may conduct discussions  
15.11 and negotiations with responsible offerors in order to determine which proposal is  
15.12 most advantageous to the authority and the NFL team and to negotiate the terms of an  
15.13 agreement. In conducting discussions, there shall be no disclosure of any information  
15.14 derived from proposals submitted by competing offerors and the content of all proposals is  
15.15 nonpublic data under chapter 13 until such time as a notice to award a contract is given by  
15.16 the authority. The agreement shall be subject to the approval of the NFL team.

15.17           (4) The construction manager or program manager may enter into contracts with  
15.18 contractors for labor, materials, supplies, and equipment for the construction of the  
15.19 stadium and related stadium infrastructure through the process of public bidding, except  
15.20 that the construction manager or program manager may, with the consent of the authority  
15.21 or the NFL team if the NFL team has retained responsibility for construction:

15.22           (i) narrow the listing of eligible bidders to those which the construction manager  
15.23 or program manager determines to possess sufficient expertise to perform the intended  
15.24 functions;

15.25           (ii) award contracts to the contractors that the construction manager or program  
15.26 manager determines provide the best value under a request for proposals as described in  
15.27 section 16C.28, subdivision 1, paragraphs (a), clause (2), and (c), which are not required  
15.28 to be the lowest responsible bidder; and

15.29           (iii) for work the construction manager or program manager determines to be critical  
15.30 to the completion schedule, award contracts on the basis of competitive proposals, or  
15.31 perform work with its own forces without soliciting competitive bids if the construction  
15.32 manager or program manager provides evidence of competitive pricing.

15.33           (5) Without limiting the responsibility of the NFL team pursuant to subdivision 1,  
15.34 paragraph (b), clause (5), the authority and the NFL team may require that the construction  
15.35 manager or program manager certify, before the contract is signed, a fixed and stipulated  
15.36 construction price and completion date to the authority and post a performance bond in an

16.1 amount at least equal to 100 percent of the certified price or such other security satisfactory  
16.2 to the authority, to cover any costs which may be incurred in excess of the certified price  
16.3 including, but not limited to, costs incurred by the authority or loss of revenues resulting  
16.4 from incomplete construction on the completion date. The authority may secure surety  
16.5 bonds as provided in section 574.26, securing payment of just claims in connection with  
16.6 all public work undertaken by the authority. Persons entitled to the protection of the  
16.7 bonds may enforce them as provided in sections 574.28 to 574.32 and are not entitled to a  
16.8 lien on any property of the authority under the provisions of sections 514.01 to 514.16.  
16.9 The construction of the stadium is a project as that term is defined in section 177.42,  
16.10 subdivision 2, and is subject to the prevailing wage law under sections 177.41 to 177.43.

16.11 (6) Alternatively, at the request of the NFL team, the NFL team may manage the  
16.12 construction of the stadium and related stadium infrastructure in a manner consistent with  
16.13 the agreed minimum design standards and design documents, subject to the terms of this  
16.14 act, including responsibility for cost overruns in the design, development and construction  
16.15 of the stadium, pursuant to subdivision 1, paragraph (b), clause (5).

16.16 Subd. 2. **Changes.** Unless otherwise agreed to by the authority and the NFL team, if  
16.17 any party requests a change in minimum design standards, and this change is responsible  
16.18 for requiring the project to exceed the stated budget, the requesting party is liable for any  
16.19 cost overruns or associated liabilities associated with such change.

16.20 Subd. 3. **Stadium design.** The stadium and stadium infrastructure shall be designed  
16.21 and constructed incorporating the following general program and design elements:

16.22 (1) unless otherwise agreed to by the authority and the NFL team, the stadium  
16.23 shall comprise approximately 1,600,000 square feet with approximately 65,000 seats,  
16.24 expandable to 72,000, shall meet or exceed NFL program requirements, and include  
16.25 approximately 150 suites and approximately 7,500 club seats or other such components as  
16.26 agreed to by the authority and the NFL team;

16.27 (2) space for NFL team-related exhibitions and sales, which shall include the  
16.28 following: NFL team museum and Hall of Fame, retail merchandise and gift shop retail  
16.29 venues, and themed concessions and restaurants;

16.30 (3) year-round space for the NFL team administrative operations, sales, and  
16.31 marketing, including a ticket office, team meeting space, locker, and training rooms;

16.32 (4) space for administrative offices of the authority;

16.33 (5) parking spaces for up to 21,000 cars and trucks, including tailgate parking and  
16.34 premium parking area with a separate entrance and exit;

16.35 (6) elements sufficient to provide community and civic uses as determined by the  
16.36 authority; and

17.1 (7) a roof that is fixed or retractable, provided that if the roof is retractable, it is  
17.2 accomplished without any increase to the funding provided by the state or the county.

17.3 Sec. 14. **[473J.112] COMMEMORATIVE BRICKS.**

17.4 The authority shall sell commemorative bricks to be displayed at a prominent  
17.5 location in the new stadium, for an amount to be determined by the authority. The  
17.6 authority shall work with the commissioner to ensure that purchase of a brick is a tax  
17.7 deductible donation on the part of the donating person or organization. Funds raised  
17.8 through this section shall be appropriated to the commissioner of management and budget  
17.9 for a grant to the Minnesota Stadium Authority.

17.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.

17.11 Sec. 15. **[473J.12] EMPLOYMENT.**

17.12 Subdivision 1. **Hiring and recruitment.** In the design, development, construction,  
17.13 management, operation, maintenance and capital repair, replacement and improvement  
17.14 of the stadium and stadium infrastructure, the NFL team and the authority shall make  
17.15 every effort to employ and cause the construction manager and other subcontractors,  
17.16 vendors, and concessionaires to employ women and members of minority communities  
17.17 when hiring. Further, goals for construction contracts to be awarded to women and  
17.18 minority-owned businesses will be in a percentage at least equal to the minimum used  
17.19 for county development projects, and the other construction workforce will establish  
17.20 workforce utilization goals at least equal to current city goals and include workers from  
17.21 county zip codes that have high rates of poverty and unemployment.

17.22 Subd. 2. **Other required agreements.** The NFL team and the authority shall give  
17.23 food, beverage, retail, and concession workers presently employed by the NFL team or the  
17.24 Minnesota Sports Facilities Commission or its vendors at the existing football stadium the  
17.25 opportunity to continue their employment in comparable positions at the new stadium.  
17.26 Workers who are presently represented under a collective bargaining agreement may seek  
17.27 to continue such representation in the facility and designate such, or another collective  
17.28 bargaining unit, as their representative.

17.29 Sec. 16. **[473J.13] STADIUM OPERATIONS; CAPITAL IMPROVEMENTS.**

17.30 Subdivision 1. **Stadium operation.** The NFL team will operate and manage the  
17.31 stadium and parking facilities, or contract with the authority or other entity to manage  
17.32 the stadium and parking facilities, pursuant to the authority/NFL team agreement. The  
17.33 stadium shall be operated in a first class manner similar to and consistent with that of

18.1 other comparable NFL stadiums. The team shall be responsible for all aspects of stadium  
18.2 operation. All revenues, net of generally applicable taxes and fees, derived from the  
18.3 operations of the stadium for all NFL team games, NFL team owned major league soccer  
18.4 games and other NFL team events agreed to by the authority, except as otherwise provided  
18.5 herein or in the authority/NFL team agreement or the county/NFL team agreement, shall  
18.6 belong to the team.

18.7 Subd. 2. **Operating expenses.** The team shall bear all the costs of operation of  
18.8 the stadium and parking facilities in lieu of rent. In addition, the team shall pay any  
18.9 and all NFL game day expenses, including responsibility for any and all costs incurred  
18.10 for municipal services including, but not limited to, police and security, traffic control,  
18.11 fire prevention, emergency medical, street cleaning and trash removal, and other similar  
18.12 services provided for events held by the team. The team and the authority, in coordination  
18.13 with the city, shall cooperatively determine appropriate public and private staffing levels  
18.14 for police and security, traffic control, fire prevention, emergency medical, street cleaning  
18.15 and trash removal, and other similar services based upon anticipated attendance for NFL  
18.16 games and any other events held at the stadium. The authority, however, in coordination  
18.17 with the city, shall have final approval over appropriate staffing and service levels.  
18.18 The authority, in coordination with the city, shall use a "reasonableness standard" in  
18.19 determining appropriate staffing and service levels. In the event that the parties cannot  
18.20 agree on appropriate staffing and service levels, the team shall have the right to submit  
18.21 such dispute to a mutually agreed upon mediator or to arbitration for accelerated dispute  
18.22 resolution. Notwithstanding the foregoing, if the authority, in coordination with the city,  
18.23 determines that an emergency public safety issue exists with respect to a particular NFL  
18.24 game or event, the authority, in coordination with the city, shall have the right to determine  
18.25 and impose the staffing level for such event. Sponsors of civic, noncommercial events and  
18.26 uses shall be responsible for any and all incremental costs incurred for municipal services  
18.27 provided for its events, as determined by the authority.

18.28 Subd. 3. **Public access.** The authority will work to maximize access for public and  
18.29 amateur sports, community, and civic events, and other public events in type and on terms  
18.30 consistent with those currently held at the existing football stadium, as defined in section  
18.31 473.551, subdivision 9. The authority may provide that these events have exclusive use of  
18.32 the premises at agreed-upon times subject to the scheduling rights of the NFL team under  
18.33 the lease or use agreement. The NFL team will be reimbursed by the authority for the  
18.34 incremental, out-of-pocket expenses to operate the stadium during such events and uses.

18.35 Subd. 4. **Capital improvements.** (a) The NFL team shall be responsible for  
18.36 making, or for causing others to make, all capital repairs, replacements, and improvements

19.1 for the stadium and stadium infrastructure and shall establish a capital reserve fund for  
19.2 such purposes. The NFL team shall maintain, or cause others to maintain, the stadium  
19.3 and stadium infrastructure in a safe, clean, attractive, and first class manner so as to cause  
19.4 them to remain in a condition comparable to that of other comparable NFL facilities  
19.5 of similar design and age. The NFL team shall maintain, or cause others to maintain,  
19.6 the stadium and parking facilities in a manner that is consistent with all applicable  
19.7 requirements imposed by the NFL, and with the original design and construction program  
19.8 of the stadium and parking facilities. The NFL team shall make, or cause others to make,  
19.9 all necessary or appropriate repairs, renewals, and replacements, whether structural or  
19.10 nonstructural, interior or exterior, ordinary or extraordinary, foreseen or unforeseen, in a  
19.11 prompt and timely manner. The authority, with approval of the NFL team, may enter into  
19.12 an agreement with a program manager to perform some or all of the responsibilities of the  
19.13 NFL team in this subdivision and to assume and accept financial liability for the cost of  
19.14 performing the responsibilities.

19.15 (b) The NFL team must contribute \$1,500,000 each year for the term of the lease or  
19.16 use agreement to the capital reserve fund, increased by a three percent annual inflation rate.

19.17 (c) The NFL team, with input from the authority, shall develop short-term and  
19.18 long-term capital funding plans and shall use those plans to guide the future capital needs  
19.19 of the stadium and stadium infrastructure. The NFL team, after consultation with the  
19.20 authority, shall make the final determination with respect to funding capital needs. Any  
19.21 capital improvement proposed by the authority, except those intended primarily to provide  
19.22 revenue enhancements to the NFL team shall be paid for by the authority, unless otherwise  
19.23 agreed to by the NFL team.

19.24 Subd. 5. **Cooperation with financing.** The authority will cooperate with the  
19.25 NFL team to facilitate the financing of the NFL team's contribution. Such agreement to  
19.26 cooperate shall not require the authority to incur any additional costs or provide conduit  
19.27 financing. The lease, license, and other transaction documents shall include provisions  
19.28 customarily required by lenders in stadium financings.

19.29 **Sec. 17. [473J.15] CRITERIA AND CONDITIONS.**

19.30 Subdivision 1. **Binding and enforceable.** In developing the stadium and entering  
19.31 into related contracts, the authority must follow and enforce the criteria and conditions in  
19.32 this section, provided that a determination by the authority that those criteria or conditions  
19.33 have been met under any agreement or otherwise shall be conclusive.

19.34 Subd. 2. **NFL team/private contribution; timing of expenditures.** The NFL  
19.35 team/private contribution, including stadium builder license proceeds, for stadium costs

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20.1 must be made in cash in the amount of at least \$425,000,000. Prior to the first issuance  
20.2 of bonds under section 16A.965, the first portion of the NFL team/private contribution  
20.3 in the amount of \$50,000,000 must be deposited to the construction fund to pay for  
20.4 the initial stadium costs, as costs are incurred, or the team must provide security or  
20.5 other credit worthiness in the amount of \$50,000,000, subject to the satisfaction of the  
20.6 authority. After the first \$50,000,000 of stadium costs have been paid from the initial  
20.7 NFL team/private contribution, state funds shall be deposited to the construction fund  
20.8 to pay for the next \$50,000,000 of costs of the project. Prior to any state funds being  
20.9 deposited in the construction fund, the NFL team must provide security or a financing  
20.10 commitment reasonably satisfactory to the authority for the balance of the required NFL  
20.11 team/private contribution and for payment of cost overruns if the NFL team assumes  
20.12 responsibility for stadium construction under section 473J.11. In the event the stadium  
20.13 project terminates before the initial contributions are expended by the parties under this  
20.14 subdivision, the parties shall be reimbursed in the amounts they have deposited to the  
20.15 construction fund proportionate to the aggregate amount contributed by each at the time  
20.16 the project is terminated.

20.17 Subd. 3. **Lease or use agreements; 30-year term.** The authority must enter into  
20.18 a long-term lease or use agreement with the NFL team for the NFL team's use of the  
20.19 stadium. The NFL team must agree to play all regularly scheduled and postseason home  
20.20 games at the stadium, with the occasional exception of a game played elsewhere as agreed  
20.21 to in the lease or use agreement. Preseason games may also be scheduled and played at  
20.22 the stadium. Training facilities must remain in Minnesota during the term of the lease  
20.23 or use agreement. If the NFL team elects to construct a new corporate headquarters or  
20.24 training complex, such development shall be within the stadium area of the site unless  
20.25 the authority and county consent to another location. The lease or use agreement must  
20.26 be for a term of at least 30 years from the date of substantial completion of the stadium  
20.27 for professional football games. The lease or use agreement may provide options for the  
20.28 NFL team to extend the term for up to four additional periods of five years. The lease or  
20.29 use agreement must include terms for default, termination, and breach of the agreement.  
20.30 Recognizing that the presence of professional football provides to the state of Minnesota  
20.31 and its citizens highly valued, intangible benefits that are virtually impossible to quantify  
20.32 and, therefore, not recoverable in the event of an NFL team owner's breach of contract,  
20.33 the lease and use agreements must provide for specific performance and injunctive relief  
20.34 to enforce provisions relating to use of the stadium for professional football and must  
20.35 not include escape clauses or buyout provisions. The NFL team must not enter into or  
20.36 accept any agreement or requirement with or from any entity that is inconsistent with the

**S.F. No. 2599, as introduced - 87th Legislative Session (2011-2012) [12-5984]**

21.1 NFL team's binding commitment to the 30-year term of the lease or use agreement or  
21.2 that would in any manner dilute, interfere with, or negate the provisions of the lease or  
21.3 use agreement, providing for specific performance or injunctive relief. The legislature  
21.4 conclusively determines, as a matter of public policy, that the lease or use agreement, and  
21.5 any grant agreement under this chapter that includes a specific performance clause:

21.6 (1) explicitly authorizes specific performance as a remedy for breach;

21.7 (2) is made for adequate consideration and upon terms which are otherwise fair  
21.8 and reasonable;

21.9 (3) has not been included through sharp practice, misrepresentation, or mistake;

21.10 (4) if specifically enforced, does not cause unreasonable or disproportionate hardship  
21.11 or loss to the NFL team or to third parties; and

21.12 (5) involves performance in a manner and the rendering of services of a nature and  
21.13 under circumstances that the beneficiary cannot be adequately compensated in damages.

21.14 Subd. 4. **Lease or use agreements; revenues; payments.** A lease or use agreement  
21.15 shall include all fees and expenses to be paid by the NFL team. The authority shall agree  
21.16 to provide in the lease or use agreement for the NFL team to receive all NFL game day  
21.17 revenues, including but not limited to suite revenues, advertising, concessions, signage,  
21.18 broadcast and media, and club seat revenue, except to the extent otherwise provided  
21.19 in this chapter. The agreement shall also provide that all naming rights to the stadium  
21.20 are retained by the NFL team, subject to the approval of the name or names by the  
21.21 authority consistent with those criteria set out in the lease or use agreement. The authority  
21.22 shall have naming rights to the parking lots within the stadium area as provided in the  
21.23 authority/NFL team agreement. The authority shall receive all event revenues other than  
21.24 from NFL team games, NFL team owned major league soccer games, and other NFL team  
21.25 events agreed to by the authority.

21.26 Subd. 5. **Notice of breach or default.** Until 30 years from the date of stadium  
21.27 completion, the NFL team must provide written notice to the authority not less than 180  
21.28 days prior to any action, including any action imposed upon the NFL team by the NFL,  
21.29 which would result in a breach or default of provisions of the lease or use agreements  
21.30 required to be included under subdivision 3. If this notice provision is violated and the  
21.31 NFL team has already breached or been in default under the required provisions, the  
21.32 authority or the state of Minnesota may specifically enforce the lease or use agreement  
21.33 and Minnesota courts shall fashion equitable remedies so that the NFL team fulfills the  
21.34 conditions of the lease and use agreements.

21.35 Subd. 6. **Enforceable financial commitments.** The authority must determine before  
21.36 stadium construction begins that all public and private funding sources for construction,

22.1 operating expenses, and capital improvements and repairs of the stadium are included in  
22.2 written agreements. The committed funds must be adequate to design, construct, furnish,  
22.3 and equip the stadium, and pay projected operating expenses and the costs of capital  
22.4 improvements and repairs during the term of the lease or use agreement with the NFL  
22.5 team. The NFL team must provide the authority access to NFL team financial or other  
22.6 information, which the authority deems necessary for such determination. Any financial  
22.7 information obtained by the authority under this subdivision is nonpublic data under  
22.8 section 13.02, subdivision 9.

22.9 Subd. 7. **Environmental requirements.** The authority must comply with all  
22.10 environmental requirements imposed by regulatory agencies for the stadium, site, and  
22.11 structure, except as provided by section 473J.09, subdivision 2, or 473J.17.

22.12 Subd. 8. **Public share on sale of NFL team.** The lease or use agreement must  
22.13 provide that, if the NFL team is sold or an interest in the NFL team is sold after the  
22.14 effective date of this chapter, a portion of the sale price must be paid to the authority and  
22.15 deposited in a reserve fund for improvements to the stadium or expended as the authority  
22.16 may otherwise direct. The portion required to be so paid to the authority is 18 percent  
22.17 of the amount in excess of the purchase price of the NFL team by the selling owner or  
22.18 owners, declining to zero 15 years after commencement of stadium construction in  
22.19 increments of 1.2 percent each year. The agreement must provide exceptions for sales  
22.20 to members of the owners' family and entities and trusts beneficially owned by family  
22.21 members, sales to employees of equity interests aggregating up to ten percent, sales related  
22.22 to capital infusions not distributed to the owners, and sales amongst existing owners not  
22.23 exceeding 20 percent equity interest in the NFL team.

22.24 Subd. 9. **Authority's access to NFL team financial information.** The lease/license  
22.25 or other transaction documents shall provide the authority access to annual audited  
22.26 financial statements of the team and other financial books and records that the authority  
22.27 deems necessary to determine compliance by the team with this act, and to enforce the  
22.28 terms of any lease/license or other transaction documents entered into under this act.  
22.29 Any financial information obtained by the authority under this subdivision is nonpublic  
22.30 data under section 13.02, subdivision 9.

22.31 Subd. 10. **NFL team name retained.** The lease or use agreement must provide  
22.32 that the NFL team and NFL will transfer to the state of Minnesota the Minnesota Vikings'  
22.33 heritage and records, including the name, logo, colors, history, playing records, trophies,  
22.34 and memorabilia if the NFL team is in violation of the lease or use agreement.

22.35 Subd. 11. **Stadium design.** (a) The authority and the NFL team will strive to build a  
22.36 stadium that is environmentally and energy efficient and will make an effort to build a

23.1 stadium that is eligible to receive the Leadership in Energy and Environmental Design  
23.2 (LEED) certification for environmental design, and to the extent practicable, will strive to  
23.3 make the stadium design architecturally significant.

23.4 (b) The stadium design must, to the extent feasible, follow sustainable building  
23.5 guidelines established under section 16B.325.

23.6 (c) The authority and the team must ensure that the stadium be, to the greatest extent  
23.7 practicable, constructed of American-made steel.

23.8 Subd. 12. **Necessary approvals.** The authority and the NFL team must secure  
23.9 any necessary approvals to the terms of the lease and use agreement and the design and  
23.10 construction plans for the stadium, including prior approval of the NFL.

23.11 Subd. 13. **Affordable access.** The lease or use agreement must provide for an  
23.12 agreed-upon number of affordable tickets to the professional sporting events held in the  
23.13 stadium.

23.14 Subd. 14. **Stadium builder's licenses.** The authority shall own and retain the  
23.15 exclusive right to sell stadium builder's licenses in the stadium. The authority will retain  
23.16 the NFL team to act as the authority's agent in marketing and selling such licenses.

23.17 Subd. 15. **Major league soccer.** The authority shall, for five years after the first  
23.18 NFL team home game is played in the stadium, grant the NFL team the exclusive right to  
23.19 establish major league soccer at the stadium. The authority and the NFL team may enter  
23.20 into an agreement providing the terms and conditions of such an arrangement, provided:

23.21 (1) if any of the NFL team owners whose family owns at least three percent of  
23.22 the NFL team purchases full or partial ownership in a major league soccer franchise,  
23.23 such franchise may play in the stadium under a use agreement with similar terms as are  
23.24 applicable to the NFL team; and

23.25 (2) capital improvements required by a major league soccer franchise must be  
23.26 financed by the owners of the major league soccer team.

23.27 Subd. 16. **NFL team-related entities.** Subject to the prior approval of the authority,  
23.28 which shall not be unreasonably withheld, any of the obligations by the NFL team may  
23.29 be performed by the NFL team, a related entity, or a third party, and the NFL team, any  
23.30 entity related to the NFL team or third party may receive any revenues to which the NFL  
23.31 team is entitled hereunder; provided, however, the NFL team shall remain liable if any  
23.32 obligations are assigned to a related entity or third party, including liability for all capital  
23.33 and operating costs.

23.34 Sec. 18. **[473J.17] COUNTY ACTIVITIES.**

24.1            Subdivision 1. **Property acquisition and disposition.** The county may, to the  
24.2 extent legally permissible, acquire land, air rights, and other property interests within the  
24.3 stadium area and convey them to the authority without consideration, prepare a site for  
24.4 development as a stadium, and acquire and construct any related stadium infrastructure,  
24.5 if any, as provided in the county/authority agreement. To the extent property parcels or  
24.6 interests acquired are more extensive than the stadium infrastructure requirements, the  
24.7 county may sell or otherwise dispose of the excess. The legislature intends that, except  
24.8 as expressly limited herein, the county may acquire, remediate, and dispose of the  
24.9 development area within the site.

24.10           Subd. 2. **Claims.** Except as may be mutually agreed to by the county and the  
24.11 authority, the county has no interest in or claim to any assets or revenues of the authority.

24.12           Subd. 3. **Environmental; planning and zoning.** The county is the responsible  
24.13 governmental unit for an environmental impact statement for the stadium project  
24.14 prepared under section 116D.04, if an environmental impact statement is necessary.

24.15 Notwithstanding section 116D.04, subdivision 2b, and implementing rules:

24.16           (1) the environmental impact statement shall not be required to consider alternative  
24.17 stadium sites; and

24.18           (2) the environmental impact statement must be determined to be adequate before  
24.19 commencing work on the foundation of the stadium, but the stadium and stadium  
24.20 infrastructure may otherwise be started and all preliminary and final government decisions  
24.21 and actions may be made and taken including, but not limited to, acquiring land; obtaining  
24.22 financing; granting permits or other land use approvals; entering into grant, lease, or use  
24.23 agreements; or preparing the site or related stadium infrastructure prior to a determination  
24.24 of the adequacy of the environmental impact statement.

24.25           Subd. 4. **County expenditure.** The county may make expenditures or grants for  
24.26 other costs incidental and necessary to further the purposes of this chapter and may, by  
24.27 agreement, reimburse in whole or in part, any entity that has granted, loaned, or advanced  
24.28 funds to the county to further the purposes of this chapter. Notwithstanding any law,  
24.29 ordinance, or charter provision to the contrary, exercise by the county of its powers under  
24.30 this section does not affect the amount that the county may otherwise spend, borrow,  
24.31 tax, or receive.

24.32           Subd. 5. **County authority.** The legislature intends that, except as expressly limited  
24.33 herein, the county may enter into contracts with the authority, the NFL team and other  
24.34 governmental or nongovernmental entities, appropriate funds, and make employees,  
24.35 consultants, and other revenues available for those purposes.

25.1           Subd. 6. Stadium implementation committee; city review. In order to accomplish  
25.2 the objectives of this act within the required time frame, it is necessary to establish an  
25.3 alternative process for municipal land use and development review. It is hereby found  
25.4 and declared that the construction of a stadium within the stadium area is consistent  
25.5 with the city's adopted comprehensive plan, is the preferred stadium location, and is a  
25.6 permitted land use. This subdivision establishes a procedure for all land and water use  
25.7 and development reviews and approvals by the city and watershed district for the stadium  
25.8 and related stadium infrastructure and supersedes all land use and development rules  
25.9 and restrictions and procedures imposed by other law, charter, or ordinance including,  
25.10 without limitation, section 15.99 and chapters 103A to 103G. No later than 30 days after  
25.11 enactment, the city shall establish a stadium implementation committee with representation  
25.12 from the city, county, and watershed district to make recommendations on the design  
25.13 plans submitted for the stadium, stadium infrastructure, and related improvements.  
25.14 The implementation committee must take action to issue its recommendations within  
25.15 the time frames established in the planning and construction timetable issued by the  
25.16 authority, which shall provide for no less than 60 days for the committee's review. The  
25.17 recommendations of the implementation committee shall be forwarded to the city's  
25.18 planning commission for an advisory recommendation and then to the city council for  
25.19 final action in a single resolution. Final action must be taken within 45 days of the  
25.20 submission of the recommendations to the planning commission. The watershed district  
25.21 must act within 45 days of the implementation committee's recommendations. The city  
25.22 council and watershed district shall not impose any unreasonable conditions on the  
25.23 recommendations of the implementation committee, nor take any action or impose any  
25.24 conditions that will result in delay from the time frames established in the planning  
25.25 and construction timetable or in additional overall costs. Failure of the city council or  
25.26 watershed district to act within the 45-day period shall be deemed to be approval by that  
25.27 entity of the implementation committee's recommendations. The authority or county  
25.28 may seek de novo review in the district court of any city council or watershed district  
25.29 action. The district court or any appellate court shall expedite review to the maximum  
25.30 extent possible and timely issue relief, orders, or opinions necessary to give effect to  
25.31 the provisions and objectives in this act.

25.32           Subd. 7. Suburban Ramsey County referendum and tax. Subject to approval by  
25.33 a referendum in all municipalities within Ramsey County, with the exception of a city of  
25.34 the first class, and notwithstanding section 477A.016, the county is authorized to impose a  
25.35 sales tax of two percent on the sale of fermented malt beverages, retail on-sale liquor, and  
25.36 food purchased at restaurants and other commercial establishments located in Ramsey

26.1 County except for those sales within a city of the first class. The referendum shall be  
26.2 conducted as part of the 2012 general election. If the referendum receives the approval  
26.3 of a majority voting on the issue, the county shall impose the taxes approved and the  
26.4 revenue raised shall be remitted to the commissioner of revenue for deposit in the general  
26.5 fund. The commissioner shall allocate the revenues deposited toward payment of the  
26.6 costs associated with the off-site roadway and transportation infrastructure improvements  
26.7 along marked Interstate Highway 694 including the marked Interstate Highway 35/694  
26.8 interchange as identified by the Ramsey County Department of Public Works. The ballot  
26.9 question shall state that the proposed tax revenues are legally required to be used for the  
26.10 specified roadway and transportation infrastructure improvements.

26.11 **Sec. 19. [473J.19] PROPERTY TAX EXEMPTION; SPECIAL ASSESSMENTS.**

26.12 Any real or personal property acquired, owned, leased, controlled, used, or occupied  
26.13 within the stadium area by the authority for any of the purposes of this chapter, is acquired,  
26.14 owned, leased, controlled, used, and occupied for public, governmental, and municipal  
26.15 purposes. The stadium and stadium infrastructure are exempt from ad valorem taxation by  
26.16 the state or any political subdivision of the state provided that the properties are subject to  
26.17 special assessments levied by a political subdivision for a local improvement in amounts  
26.18 proportionate to and not exceeding the special benefit received by the properties from the  
26.19 improvement. No possible use of any of the properties in any manner different from their  
26.20 use under this chapter may be considered in determining the special benefit received by  
26.21 the properties. Notwithstanding section 272.01, subdivision 2, or 273.19, real or personal  
26.22 property which is subject to a lease or use agreement between the authority and another  
26.23 person for uses related to the purposes of this chapter, including the operation of the  
26.24 stadium and related parking facilities, is exempt from taxation regardless of the length  
26.25 of the lease or use agreement or the characteristics of the entity leasing or using the  
26.26 property. This section, insofar as it provides an exemption or special treatment within the  
26.27 stadium area, does not apply to any real property that is leased for residential, business, or  
26.28 commercial development, or to a restaurant that is open for general business more than  
26.29 200 days a year, or other purposes different from those contemplated in this chapter.

26.30 **Sec. 20. [473J.21] LIQUOR LICENSES.**

26.31 At the request of the authority, the city may issue intoxicating liquor licenses that are  
26.32 reasonably requested for the premises of the stadium site. These licenses are in addition to  
26.33 the number authorized by law. All provisions of chapter 340A not inconsistent with this  
26.34 section apply to the licenses authorized under this section.

27.1 Sec. 21. [473J.23] SITE REVENUES.

27.2 Subdivision 1. **Surcharge.** No surcharge or new or additional local sales or use tax  
27.3 shall be imposed on sales at the stadium site, except as provided in this section.

27.4 Subd. 2. **Ticket surcharge.** A three percent surcharge shall be imposed on sales of  
27.5 tickets and admissions to NFL team games, NFL team owned major league soccer games,  
27.6 and other team-related events at the stadium, notwithstanding any law or ordinance.

27.7 Subd. 3. **Site tax.** A three percent food, beverage, liquor and lodging tax shall be  
27.8 imposed for all sales occurring within the stadium and development areas in accordance  
27.9 with article 4, section 1, of this chapter.

27.10 Subd. 4. **Expiration.** The surcharge and taxes imposed under subdivisions 2 and 3  
27.11 must only be collected for the later of: (1) the duration of bonds or any refunding bonds  
27.12 sold to pay for the stadium and related infrastructure; or (2) the term of the lease, and must  
27.13 be ended within six months after that date. Excess revenues from these taxes may only be  
27.14 used for the purposes allowed under this chapter.

27.15 Sec. 22. [473J.25] METROPOLITAN SPORTS FACILITIES COMMISSION  
27.16 ASSETS; LIABILITIES TO AUTHORITY.

27.17 Subdivision 1. **Authority expenses.** The Metropolitan Sports Facilities Commission  
27.18 shall pay the operating expenses of the authority including salaries, compensation, and  
27.19 other personnel, office, equipment, consultant and any other costs, until the commission is  
27.20 abolished pursuant to subdivision 3.

27.21 Subd. 2. **Sale.** Once the team concludes its 2015 football season, the Metropolitan  
27.22 Sports Facilities Commission shall sell the Metrodome property at public sale for fair  
27.23 market value. Upon sale of the Metrodome property and after payment of all outstanding  
27.24 obligations, including those under Laws 2006, chapter 257, the Metropolitan Sports  
27.25 Facilities Commission shall remit the remainder of the sale proceeds to the commissioner  
27.26 of revenue for deposit in the general fund to be used for the purposes set out in article  
27.27 4, section 4, subdivision 4, paragraph (a), of this act. The net value of such property is  
27.28 currently estimated at \$36,000,000.

27.29 Subd. 3. **Metropolitan Sports Facilities Commission abolished.** Upon transfer to  
27.30 the authority of all remaining assets, liabilities, and obligations of the Metropolitan Sports  
27.31 Facilities Commission in subdivision 1, the Metropolitan Sports Facilities Commission is  
27.32 abolished.

27.33 Subd. 4. **Employees.** Upon transfer of ownership all persons employed by the  
27.34 Metropolitan Sports Facilities Commission shall be transferred to the Minnesota Stadium  
27.35 Authority without loss of right or privilege. Nothing in this section shall be construed to

28.1 give any such person the right or privilege to continue in the same level or classification  
28.2 of employment previously held. The Minnesota Stadium Authority may assign any such  
28.3 person to an employment level and classification which it deems appropriate and desirable  
28.4 in accordance with its personnel code.

28.5 Sec. 23. **EFFECTIVE DATE.**

28.6 Except as otherwise provided, this article is effective the day following final  
28.7 enactment.

## 28.8 **ARTICLE 2**

### 28.9 **STATE STADIUM FUNDING**

28.10 Section 1. **[16A.965] STADIUM APPROPRIATION BONDS.**

28.11 Subdivision 1. **Definitions.** (a) The definitions in this subdivision and in chapter  
28.12 473J apply to this section.

28.13 (b) "Appropriation bond" means a bond, note, or other similar instrument of the state  
28.14 payable during a biennium from one or more of the following sources:

28.15 (1) money appropriated by law from the general fund, including, without limitation,  
28.16 revenues deposited in the general fund as provided in articles 4 and 5, in any biennium for  
28.17 debt service due with respect to obligations described in subdivision 2, paragraph (b);

28.18 (2) proceeds of the sale of obligations described in subdivision 2, paragraph (b);

28.19 (3) payments received for that purpose under agreements and ancillary arrangements  
28.20 described in subdivision 2, paragraph (d); and

28.21 (4) investment earnings on amounts in clauses (1) to (3).

28.22 (c) "Debt service" means the amount payable in any biennium of principal, premium,  
28.23 if any, and interest on appropriation bonds.

28.24 Subd. 2. **Authorization to issue appropriation bonds.** (a) Subject to the limitations  
28.25 of this subdivision, the commissioner may sell and issue appropriation bonds of the state  
28.26 under this section for public purposes as provided by law, including, in particular, the  
28.27 financing of all or a portion of the acquisition, construction, improving, and equipping  
28.28 of the stadium project of the Minnesota Stadium Authority as provided by chapter 473J.  
28.29 Proceeds of the appropriation bonds must be credited to a special appropriation stadium  
28.30 bond proceeds fund in the state treasury. Net income from investment of the proceeds,  
28.31 as estimated by the commissioner, must be credited to the special appropriation stadium  
28.32 bond proceeds fund.

28.33 (b) Appropriation bonds may be sold and issued in amounts that, in the opinion of the  
28.34 commissioner, are necessary to provide sufficient funds, not to exceed \$650,000,000 net of

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29.1 costs of issuance, deposits for debt service reserve funds, and costs of credit enhancement  
29.2 for achieving the purposes authorized as provided under paragraph (a), and pay debt  
29.3 service, pay costs of issuance, make deposits to reserve funds, pay the costs of credit  
29.4 enhancement, or make payments under other agreements entered into under paragraph (d).

29.5 (c) Appropriation bonds may be issued from time to time in one or more series on  
29.6 the terms and conditions the commissioner determines to be in the best interests of the  
29.7 state, but the term on any series of appropriation bonds may not exceed 30 years. The  
29.8 appropriation bonds of each issue and series thereof shall be dated and bear interest,  
29.9 and may be includable in or excludable from the gross income of the owners for federal  
29.10 income tax purposes.

29.11 (d) At the time of, or in anticipation of, issuing the appropriation bonds, and at any  
29.12 time thereafter, so long as the appropriation bonds are outstanding, the commissioner may  
29.13 enter into agreements and ancillary arrangements relating to the appropriation bonds,  
29.14 including but not limited to trust indentures, grant agreements, lease or use agreements,  
29.15 operating agreements, management agreements, liquidity facilities, remarketing or  
29.16 dealer agreements, letter of credit agreements, insurance policies, guaranty agreements,  
29.17 reimbursement agreements, indexing agreements, or interest exchange agreements. Any  
29.18 payments made or received according to the agreement or ancillary arrangement shall be  
29.19 made from or deposited as provided in the agreement or ancillary arrangement. The  
29.20 determination of the commissioner included in an interest exchange agreement that the  
29.21 agreement relates to an appropriation bond shall be conclusive.

29.22 (e) The commissioner may enter into written agreements or contracts relating to the  
29.23 continuing disclosure of information necessary to comply with, or facilitate the issuance  
29.24 of appropriation bonds in accordance with federal securities laws, rules, and regulations,  
29.25 including Securities and Exchange Commission rules and regulations in Code of Federal  
29.26 Regulations, title 17, section 240.15c 2-12. An agreement may be in the form of covenants  
29.27 with purchasers and holders of appropriation bonds set forth in the order or resolution  
29.28 authorizing the issuance of the appropriation bonds, or a separate document authorized  
29.29 by the order or resolution.

29.30 (f) The appropriation bonds are not subject to chapter 16C.

29.31 **Subd. 3. Form; procedure.** (a) Appropriation bonds may be issued in the form  
29.32 of bonds, notes, or other similar instruments, and in the manner provided in section  
29.33 16A.672. In the event that any provision of section 16A.672 conflicts with this section,  
29.34 this section shall control.

29.35 (b) Every appropriation bond shall include a conspicuous statement of the limitation  
29.36 established in subdivision 6.

30.1 (c) Appropriation bonds may be sold at either public or private sale upon such terms  
30.2 as the commissioner shall determine are not inconsistent with this section and may be sold  
30.3 at any price or percentage of par value. Any bid received may be rejected.

30.4 (d) Appropriation bonds must bear interest at a fixed or variable rate.

30.5 (e) Notwithstanding any other law, appropriation bonds issued under this section  
30.6 shall be fully negotiable.

30.7 Subd. 4. **Refunding bonds.** The commissioner from time to time may issue  
30.8 appropriation bonds for the purpose of refunding any appropriation bonds then  
30.9 outstanding, including the payment of any redemption premiums on the bonds, any  
30.10 interest accrued or to accrue to the redemption date, and costs related to the issuance and  
30.11 sale of the refunding bonds. The proceeds of any refunding bonds may, in the discretion of  
30.12 the commissioner, be applied to the purchase or payment at maturity of the appropriation  
30.13 bonds to be refunded, to the redemption of the outstanding appropriation bonds on any  
30.14 redemption date, or to pay interest on the refunding bonds and may, pending application,  
30.15 be placed in escrow to be applied to the purchase, payment, retirement, or redemption. Any  
30.16 escrowed proceeds, pending such use, may be invested and reinvested in obligations that  
30.17 are authorized investments under section 11A.24. The income earned or realized on the  
30.18 investment may also be applied to the payment of the appropriation bonds to be refunded  
30.19 or interest or premiums on the refunded appropriation bonds, or to pay interest on the  
30.20 refunding bonds. After the terms of the escrow have been fully satisfied, any balance of the  
30.21 proceeds and any investment income may be returned to the general fund or, if applicable,  
30.22 the special appropriation stadium bond proceeds fund for use in any lawful manner. All  
30.23 refunding bonds issued under this subdivision must be prepared, executed, delivered, and  
30.24 secured by appropriations in the same manner as the appropriation bonds to be refunded.

30.25 Subd. 5. **Appropriation bonds as legal investments.** Any of the following entities  
30.26 may legally invest any sinking funds, money, or other funds belonging to them or under  
30.27 their control in any appropriation bonds issued under this section:

30.28 (1) the state, the investment board, public officers, municipal corporations, political  
30.29 subdivisions, and public bodies;

30.30 (2) banks and bankers, savings and loan associations, credit unions, trust companies,  
30.31 savings banks and institutions, investment companies, insurance companies, insurance  
30.32 associations, and other persons carrying on a banking or insurance business; and

30.33 (3) personal representatives, guardians, trustees, and other fiduciaries.

30.34 Subd. 6. **No full faith and credit; state not required to make appropriations.**  
30.35 The appropriation bonds are not public debt of the state, and the full faith, credit, and  
30.36 taxing powers of the state are not pledged to the payment of the appropriation bonds or to

31.1 any payment that the state agrees to make under this section. Appropriation bonds shall  
31.2 not be obligations paid directly, in whole or in part, from a tax of statewide application  
31.3 on any class of property, income, transaction, or privilege. Appropriation bonds shall be  
31.4 payable in each fiscal year only from amounts that the legislature may appropriate for debt  
31.5 service for any fiscal year, provided that nothing in this section shall be construed to  
31.6 require the state to appropriate funds sufficient to make debt service payments with respect  
31.7 to the appropriation bonds in any fiscal year. Appropriation bonds shall be canceled and  
31.8 shall no longer be outstanding on the earlier of (1) the first day of a fiscal year for which  
31.9 the legislature shall not have appropriated amounts sufficient for debt service, or (2) the  
31.10 date of final payment of the principal of and interest on the appropriation bonds.

31.11 Subd. 7. **Appropriation of proceeds.** The proceeds of appropriation bonds and  
31.12 interest credited to the special appropriation stadium bond proceeds fund are appropriated  
31.13 to the commissioner for payment of capital expenses, debt service on outstanding  
31.14 indebtedness of the state, operating and capital reserves of the authority, and the funding  
31.15 of debt service reserves for the appropriation bonds, each as permitted by state and federal  
31.16 law, and nonsalary expenses incurred in conjunction with the sale of the appropriation  
31.17 bonds, and such proceeds may be granted, loaned, or otherwise provided to the authority  
31.18 for the public purpose provided by subdivision 2, paragraph (a).

31.19 Subd. 8. **Commissioner; determination of available revenues.** (a) By March 15  
31.20 of each fiscal year, the commissioner, in consultation with the commissioner of revenue,  
31.21 shall determine the estimated increase in revenues received from taxes imposed under  
31.22 chapter 297E over the estimated revenues under the February 2012 revenue forecast for  
31.23 that fiscal year. For fiscal years after fiscal year 2015, the commissioner shall use the  
31.24 February 2012 revenue forecast for fiscal year 2015 as the baseline. All calculations under  
31.25 this paragraph must be made net of estimated refunds of the taxes required to be paid.

31.26 (b) Available revenues for purposes of subdivision 9 and section 297E.02,  
31.27 subdivision 12, equal the amount determined under paragraph (a), less the following  
31.28 amounts for the fiscal year:

31.29 (1) the appropriation to principal and interest on appropriation bonds under  
31.30 paragraph (a);

31.31 (2) the appropriation to make the payments required under section 473J.13,  
31.32 subdivision 2;

31.33 (3) the appropriation to make the payments required under section 473J.13,  
31.34 subdivision 4, paragraph (c);

31.35 (4) the appropriations under article 5, section 40, paragraph (a), for administration  
31.36 and any successor appropriation;

32.1 (5) the reduction in revenues resulting from the sales tax exemptions under section  
32.2 297A.68, subdivision 43;

32.3 (6) reimbursements authorized by section 473J.15, subdivision 2; and

32.4 (7) payment of compulsive gambling appropriations under article 5, section 40,  
32.5 paragraph (b), and any successor appropriation.

32.6 (c) Available revenues, as determined under paragraph (b), are allocated:

32.7 (1) .. percent to be used for appropriations under paragraph (b); and

32.8 (2) .. percent for payment of gambling tax rebates or gambling tax reductions under  
32.9 chapter 297E.

32.10 (d) The provisions of this subdivision apply only after the issuance of appropriation  
32.11 bonds under subdivision 2.

32.12 Subd. 9. **Appropriation for debt service and other purposes.** (a) The amount  
32.13 needed to pay principal and interest on appropriation bonds issued under this section is  
32.14 appropriated each year from the general fund to the commissioner, subject to repeal,  
32.15 unallotment under section 16A.152, or cancellation otherwise pursuant to subdivision 6,  
32.16 for deposit into the bond payment accounts established for such purpose in the special  
32.17 appropriation stadium bond proceeds fund.

32.18 (b) To the extent the commissioner determines revenues are available under the  
32.19 provisions of subdivision 8, paragraph (b), for the fiscal year, the following amounts  
32.20 are appropriated from the general fund:

32.21 (1) to replenish the amount on deposit in any debt service reserve account established  
32.22 with respect to the appropriation bonds to the debt service reserve requirement amount as  
32.23 determined by order of the commissioner; and

32.24 (2) to the extent not required under clause (1), for deposit to any general reserve  
32.25 account established by order of the commissioner for application against any shortfall in  
32.26 the amounts deposited to the general fund pursuant to article 4, section 1, subdivision 3,  
32.27 paragraph (b), clauses (1), (2), (3), and (4).

32.28 Subd. 10. **Waiver of immunity.** The waiver of immunity by the state provided for  
32.29 by section 3.751, subdivision 1, shall be applicable to the appropriation bonds and any  
32.30 ancillary contracts to which the commissioner is a party.

32.31 Subd. 11. **Validation.** (a) Appropriation bonds issued under this section may be  
32.32 validated in the manner provided by this subdivision. If comparable appropriation bonds  
32.33 are judicially determined to be valid, nothing in this subdivision shall be construed  
32.34 to prevent the sale or delivery of any appropriation bonds or notes without entry of a  
32.35 judgment of validation by the Minnesota Supreme Court pursuant to this subdivision with  
32.36 respect to the appropriation bonds authorized under this section.

33.1 (b) Any appropriation bonds issued under this section that are validated shall be  
33.2 validated in the manner provided by this subdivision.

33.3 (c) The Minnesota Supreme Court shall have original jurisdiction to determine the  
33.4 validation of appropriation bonds and all matters connected therewith.

33.5 (d) The commissioner may determine the commissioner's authority to issue  
33.6 appropriation bonds and the legality of all proceedings in connection with issuing bonds.  
33.7 For this purpose, a complaint shall be filed by the commissioner in the Minnesota Supreme  
33.8 Court against the state and the taxpayers and citizens.

33.9 (e) As a condition precedent to filing of a complaint for the validation of  
33.10 appropriation bonds, the commissioner shall take action providing for the issuance of  
33.11 appropriation bonds in accordance with law.

33.12 (f) The complaint shall set out the state's authority to issue appropriation bonds, the  
33.13 action or proceeding authorizing the issue and its adoption, all other essential proceedings  
33.14 had or taken in connection with issuing bonds, the amount of the appropriation bonds to  
33.15 be issued and the maximum interest they are to bear, and all other pertinent matters.

33.16 (g) The Minnesota Supreme Court shall issue an order directed against the state and  
33.17 taxpayers, citizens, and others having or claiming any right, title, or interest affected by  
33.18 the issuance of appropriation bonds, or to be affected by the bonds, allowing all persons,  
33.19 in general terms and without naming them, and the state through its attorney general, to  
33.20 appear before the Minnesota Supreme Court at a designated time and place and show  
33.21 why the complaint should not be granted and the proceedings and appropriation bonds  
33.22 validated. A copy of the complaint and order shall be served on the attorney general at  
33.23 least 20 days before the time fixed for hearing. The attorney general shall examine the  
33.24 complaint, and, if it appears or there is reason to believe that it is defective, insufficient, or  
33.25 untrue, or if in the opinion of the attorney general the issuance of the appropriation bonds  
33.26 in question has not been duly authorized, defense shall be made by the attorney general as  
33.27 the attorney general deems appropriate.

33.28 (h) Before the date set for hearing, as directed by the Minnesota Supreme Court,  
33.29 either the clerk of the Minnesota appellate courts or the commissioner shall publish a copy  
33.30 of the order in a legal newspaper of general circulation in Ramsey County and the state, at  
33.31 least once each week for two consecutive weeks, commencing with the first publication,  
33.32 which shall not be less than 20 days before the date set for hearing. By this publication,  
33.33 all taxpayers, citizens, and others having or claiming any right, title, or interest in the  
33.34 state, are made parties defendant to the action and the Minnesota Supreme Court has  
33.35 jurisdiction of them to the same extent as if named as defendants in the complaint and  
33.36 personally served with process.

34.1 (i) Any taxpayer, citizen, or person interested may become a party to the action by  
34.2 moving against or pleading to the complaint at or before the time set for hearing. The  
34.3 Minnesota Supreme Court shall determine all questions of law and fact and make orders  
34.4 that will enable it to properly try and determine the action and render a final judgment  
34.5 within 30 days of the hearing with the least possible delay.

34.6 (j) If the judgment validates appropriation bonds, the judgment is forever conclusive  
34.7 as to all matters adjudicated and as against all parties affected and all others having or  
34.8 claiming any right, title, or interest affected by the issuance of appropriation bonds, or to  
34.9 be affected in any way by issuing the bonds, and the validity of appropriation bonds or of  
34.10 any revenues pledged for the payment of the bonds, or of the proceedings authorizing the  
34.11 issuance of the bonds, including any remedies provided for their collection, shall never  
34.12 be called in question in any court by any person or party.

34.13 (k)(1) Appropriation bonds, when validated under this section, shall have stamped  
34.14 or written on the bonds, by the proper officers of the state issuing them, a statement  
34.15 in substantially the following form: "This appropriation bond is one of a series of  
34.16 appropriation bonds which were validated by judgment of the Supreme Court of the State  
34.17 of Minnesota, rendered on ..... , ..... (year)"

34.18 (2) A certified copy of the judgment or decree shall be received as evidence in any  
34.19 court in this state.

34.20 (l) The costs shall be paid by the state, except when a taxpayer, citizen, or other  
34.21 person contests the action or intervenes, the court may tax the whole or any part of the  
34.22 costs against the person that is equitable.

34.23 (m) A justice of the Minnesota Supreme Court is not disqualified in any validation  
34.24 action because the justice is a landowner or taxpayer of the state.

### ARTICLE 3

#### CONFORMING CHANGES

34.27 Section 1. Minnesota Statutes 2010, section 3.971, subdivision 6, is amended to read:

34.28 Subd. 6. **Financial audits.** The legislative auditor shall audit the financial  
34.29 statements of the state of Minnesota required by section 16A.50 and, as resources permit,  
34.30 shall audit Minnesota State Colleges and Universities, the University of Minnesota, state  
34.31 agencies, departments, boards, commissions, courts, and other state organizations subject  
34.32 to audit by the legislative auditor, including the State Agricultural Society, Agricultural  
34.33 Utilization Research Institute, Enterprise Minnesota, Inc., Minnesota Historical  
34.34 Society, Labor Interpretive Center, Minnesota Partnership for Action Against Tobacco,  
34.35 ~~Metropolitan Sports Facilities Commission,~~ Metropolitan Airports Commission, and

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35.1 Metropolitan Mosquito Control District. Financial audits must be conducted according to  
35.2 generally accepted government auditing standards. The legislative auditor shall see that  
35.3 all provisions of law respecting the appropriate and economic use of public funds are  
35.4 complied with and may, as part of a financial audit or separately, investigate allegations  
35.5 of noncompliance.

35.6 Sec. 2. Minnesota Statutes 2010, section 13.55, subdivision 1, is amended to read:

35.7 Subdivision 1. **Not public classification.** The following data received, created, or  
35.8 maintained by or for publicly owned and operated convention facilities, or civic center  
35.9 authorities, ~~or the Metropolitan Sports Facilities Commission~~ are classified as nonpublic  
35.10 data pursuant to section 13.02, subdivision 9; or private data on individuals pursuant  
35.11 to section 13.02, subdivision 12:

- 35.12 (a) a letter or other documentation from any person who makes inquiry to or who is  
35.13 contacted by the facility regarding the availability of the facility for staging events;  
35.14 (b) identity of firms and corporations which contact the facility;  
35.15 (c) type of event which they wish to stage in the facility;  
35.16 (d) suggested terms of rentals; and  
35.17 (e) responses of authority staff to these inquiries.

35.18 Sec. 3. Minnesota Statutes 2011 Supplement, section 340A.404, subdivision 1, is  
35.19 amended to read:

35.20 Subdivision 1. **Cities.** (a) A city may issue an on-sale intoxicating liquor license to  
35.21 the following establishments located within its jurisdiction:

- 35.22 (1) hotels;  
35.23 (2) restaurants;  
35.24 (3) bowling centers;  
35.25 (4) clubs or congressionally chartered veterans organizations with the approval of  
35.26 the commissioner, provided that the organization has been in existence for at least three  
35.27 years and liquor sales will only be to members and bona fide guests, except that a club  
35.28 may permit the general public to participate in a wine tasting conducted at the club under  
35.29 section 340A.419; and  
35.30 (5) ~~sports facilities located on land owned by the Metropolitan Sports Commission;~~  
35.31 **and**  
35.32 (6) exclusive liquor stores.

35.33 (b) A city may issue an on-sale intoxicating liquor license, an on-sale wine license,  
35.34 or an on-sale malt liquor license to a theater within the city, notwithstanding any law, local

36.1 ordinance, or charter provision. A license issued under this paragraph authorizes sales on  
36.2 all days of the week to persons attending events at the theater.

36.3 (c) A city may issue an on-sale intoxicating liquor license, an on-sale wine license,  
36.4 or an on-sale malt liquor license to a convention center within the city, notwithstanding  
36.5 any law, local ordinance, or charter provision. A license issued under this paragraph  
36.6 authorizes sales on all days of the week to persons attending events at the convention  
36.7 center. This paragraph does not apply to convention centers located in the seven-county  
36.8 metropolitan area.

36.9 (d) A city may issue an on-sale wine license and an on-sale malt liquor license to  
36.10 a person who is the owner of a summer collegiate league baseball team, or to a person  
36.11 holding a concessions or management contract with the owner, for beverage sales at a  
36.12 ballpark or stadium located within the city for the purposes of summer collegiate league  
36.13 baseball games at the ballpark or stadium, notwithstanding any law, local ordinance, or  
36.14 charter provision. A license issued under this paragraph authorizes sales on all days of the  
36.15 week to persons attending baseball games at the ballpark or stadium.

36.16 Sec. 4. Minnesota Statutes 2010, section 352.01, subdivision 2a, is amended to read:

36.17 Subd. 2a. **Included employees.** (a) "State employee" includes:

36.18 (1) employees of the Minnesota Historical Society;

36.19 (2) employees of the State Horticultural Society;

36.20 (3) employees of the Minnesota Crop Improvement Association;

36.21 (4) employees of the adjutant general whose salaries are paid from federal funds and  
36.22 who are not covered by any federal civilian employees retirement system;

36.23 (5) employees of the Minnesota State Colleges and Universities who are employed  
36.24 under the university or college activities program;

36.25 (6) currently contributing employees covered by the system who are temporarily  
36.26 employed by the legislature during a legislative session or any currently contributing  
36.27 employee employed for any special service as defined in subdivision 2b, clause (8);

36.28 (7) employees of the legislature who are appointed without a limit on the duration  
36.29 of their employment and persons employed or designated by the legislature or by a  
36.30 legislative committee or commission or other competent authority to conduct a special  
36.31 inquiry, investigation, examination, or installation;

36.32 (8) trainees who are employed on a full-time established training program  
36.33 performing the duties of the classified position for which they will be eligible to receive  
36.34 immediate appointment at the completion of the training period;

36.35 (9) employees of the Minnesota Safety Council;

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37.1 (10) any employees who are on authorized leave of absence from the Transit  
37.2 Operating Division of the former Metropolitan Transit Commission and who are employed  
37.3 by the labor organization which is the exclusive bargaining agent representing employees  
37.4 of the Transit Operating Division;

37.5 (11) employees of the Metropolitan Council, Metropolitan Parks and Open Space  
37.6 Commission, ~~Metropolitan Sports Facilities Commission~~, or Metropolitan Mosquito  
37.7 Control Commission unless excluded under subdivision 2b or are covered by another  
37.8 public pension fund or plan under section 473.415, subdivision 3;

37.9 (12) judges of the Tax Court;

37.10 (13) personnel who were employed on June 30, 1992, by the University of  
37.11 Minnesota in the management, operation, or maintenance of its heating plant facilities,  
37.12 whose employment transfers to an employer assuming operation of the heating plant  
37.13 facilities, so long as the person is employed at the University of Minnesota heating plant  
37.14 by that employer or by its successor organization;

37.15 (14) personnel who are employed as seasonal employees in the classified or  
37.16 unclassified service;

37.17 (15) persons who are employed by the Department of Commerce as a peace officer  
37.18 in the Insurance Fraud Prevention Division under section 45.0135 who have attained the  
37.19 mandatory retirement age specified in section 43A.34, subdivision 4;

37.20 (16) employees of the University of Minnesota unless excluded under subdivision  
37.21 2b, clause (3);

37.22 (17) employees of the Middle Management Association whose employment began  
37.23 after July 1, 2007, and to whom section 352.029 does not apply; and

37.24 (18) employees of the Minnesota Government Engineers Council to whom section  
37.25 352.029 does not apply.

37.26 (b) Employees specified in paragraph (a), clause (13), are included employees under  
37.27 paragraph (a) if employer and employee contributions are made in a timely manner in the  
37.28 amounts required by section 352.04. Employee contributions must be deducted from  
37.29 salary. Employer contributions are the sole obligation of the employer assuming operation  
37.30 of the University of Minnesota heating plant facilities or any successor organizations to  
37.31 that employer.

37.32 Sec. 5. Minnesota Statutes 2010, section 473.121, subdivision 5a, is amended to read:

37.33 Subd. 5a. **Metropolitan agency.** "Metropolitan agency" means the Metropolitan  
37.34 Parks and Open Space Commission, and the Metropolitan Airports Commission, ~~and~~  
37.35 ~~Metropolitan Sports Facilities Commission.~~

38.1 Sec. 6. Minnesota Statutes 2010, section 473.164, is amended to read:

38.2 **473.164 SPORTS, AIRPORT COMMISSIONS TO PAY COUNCIL COSTS.**

38.3 Subdivision 1. **Annually reimburse.** ~~The Metropolitan Sports Facilities~~  
38.4 ~~Commission and the~~ Metropolitan Airports Commission shall annually reimburse the  
38.5 council for costs incurred by the council in the discharge of its responsibilities relating to  
38.6 the commission. The costs may be charged against any revenue sources of the commission  
38.7 as determined by the commission.

38.8 Subd. 2. **Estimates, budget, transfer.** On or before May 1 of each year, the council  
38.9 shall transmit to ~~each~~ the commission an estimate of the costs which the council will  
38.10 incur in the discharge of its responsibilities related to the commission in the next budget  
38.11 year including, without limitation, costs in connection with the preparation, review,  
38.12 implementation and defense of plans, programs and budgets of the commission. ~~Each~~ The  
38.13 commission shall include the estimates in its budget for the next budget year and may  
38.14 transmit its comments concerning the estimated amount to the council during the budget  
38.15 review process. Prior to December 15 of each year, the amount budgeted by ~~each~~ the  
38.16 commission for the next budget year may be changed following approval by the council.  
38.17 During each budget year, the commission shall transfer budgeted funds to the council in  
38.18 advance when requested by the council.

38.19 Subd. 3. **Final statement.** At the conclusion of each budget year, the council, in  
38.20 cooperation with ~~each~~ the commission, shall adopt a final statement of costs incurred by the  
38.21 council for ~~each~~ the commission. Where costs incurred in the budget year have exceeded  
38.22 the amount budgeted, ~~each~~ the commission shall transfer to the council the additional  
38.23 moneys needed to pay the amount of the costs in excess of the amount budgeted, and shall  
38.24 include a sum in its next budget. Any excess of budgeted costs over actual costs may be  
38.25 retained by the council and applied to the payment of budgeted costs in the next year.

38.26 Sec. 7. Minnesota Statutes 2010, section 473.565, subdivision 1, is amended to read:

38.27 Subdivision 1. **In MSRS; exceptions.** All employees of the former commission  
38.28 shall be members of the Minnesota State Retirement System with respect to service  
38.29 rendered on or after May 17, 1977, except as provided in this section.

38.30 Sec. 8. **REPEALER.**

38.31 Minnesota Statutes 2010, sections 473.551; 473.552; 473.553, subdivisions 1, 2, 3,  
38.32 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13; 473.556, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12,  
38.33 13, 14, 16, and 17; 473.561; 473.564, subdivisions 2 and 3; 473.572; 473.581; 473.592,  
38.34 subdivision 1; 473.595; 473.598; 473.599; and 473.76, are repealed.

39.1 Sec. 9. **EFFECTIVE DATE.**

39.2 This article is effective June 30, 2013.

39.3 **ARTICLE 4**

39.4 **SITE REVENUES**

39.5 Section 1. **LIQUOR, LODGING, AND RESTAURANT TAXES.**

39.6 Subdivision 1. **Imposition of site taxes.** The city shall, by resolution, levy in  
39.7 addition to taxes authorized by other law:

39.8 (1) a sales tax of three percent on the gross receipts on retail on-sales of intoxicating  
39.9 liquor and fermented malt beverages when sold at the stadium or within the stadium  
39.10 area or at licensed on-sale liquor establishments located within the development area,  
39.11 provided that this tax may not be imposed if sales of intoxicating liquor and fermented  
39.12 malt beverages are exempt from taxation under Minnesota Statutes, chapter 297A;

39.13 (2) a sales tax of three percent on the gross receipts from the furnishing for  
39.14 consideration of lodging at a hotel, motel, tourist court, or trailer camp located within the  
39.15 stadium or development areas; and

39.16 (3) a sales tax of three percent on the gross receipts on all sales of food primarily for  
39.17 consumption in the stadium or for consumption on or off the premises of the stadium or by  
39.18 restaurants and places of refreshment within the stadium or development areas.

39.19 Subd. 2. **Duration, limitation.** The taxes authorized by this section shall be  
39.20 imposed until January 1, 2047. The commissioner of revenue may enter into appropriate  
39.21 agreements with the city to provide for the collection of these taxes by the state on behalf  
39.22 of the city. The commissioner may charge the city a reasonable fee for the collection of the  
39.23 taxes from the tax proceeds. The city shall have no financial responsibility for the stadium  
39.24 project beyond the imposition of the taxes authorized by this section.

39.25 Sec. 2. **PARKING REVENUES.**

39.26 The authority/NFL team agreement shall provide for the authority to receive all  
39.27 revenues from parking within the stadium area, net of costs directly associated with  
39.28 vehicle parking services, from all events at the stadium. Additionally, the authority/NFL  
39.29 team agreement shall grant the authority all revenues received through the sale of naming  
39.30 rights to the various parking lots within the stadium area.

39.31 Sec. 3. **STATE COMMERCIAL-INDUSTRIAL TAX LEVY.**

39.32 For 2012, the base amount for the state general levy, as defined in Minnesota Statutes,  
39.33 section 275.025, subdivision 1, is zero dollars for the stadium and development areas. For

40.1 taxes payable in subsequent years, beginning in 2013, the general levy base amount will  
40.2 increase due to private commercial development and/or private ownership of land and  
40.3 buildings within the stadium and development areas. The resulting revenue from the state  
40.4 general levy shall be collected by the county and remitted to the commissioner of revenue.

40.5 Sec. 4. **ADMISSIONS SURCHARGE.**

40.6 The authority shall remit the revenues from the three percent ticket and admissions  
40.7 surcharge, authorized pursuant to article 1, section 21, to the commissioner of revenue.

40.8 Sec. 5. **METRODOME SITE.**

40.9 The authority shall remit the net proceeds from the demolition and sale of the  
40.10 Metrodome, authorized pursuant to article 1, section 22, of this act, to the commissioner of  
40.11 revenue.

40.12 Sec. 6. **STATE SALES TAX GROWTH.**

40.13 The commissioner of revenue shall determine the amount of state general  
40.14 sales tax paid at the Arden Hills stadium in 2016 for tickets, concessions, and other  
40.15 transactions taxable pursuant to the state general sales tax provisions of chapter 297A.  
40.16 The commissioner of revenue shall similarly determine the amount of state general sales  
40.17 tax paid in 2015 at the Metrodome. The commissioner of revenue shall then calculate  
40.18 the amount by which the general sales tax proceeds at the Arden Hills stadium in 2016  
40.19 exceed those collected at the Metrodome in 2015, which amount shall be designated  
40.20 as the site-based general sales tax growth.

40.21 Sec. 7. **USE OF REVENUES.**

40.22 Subdivision 1. **Site tax revenues.** From the revenues collected by the commissioner  
40.23 of revenue from the sources identified in section 1, subdivision 1, paragraphs (a) to  
40.24 (c), the commissioner of revenue shall apply the proceeds as follows, notwithstanding  
40.25 the limitations provided in Minnesota Statutes, section 297A.99, subdivision 11, on the  
40.26 use of proceeds:

40.27 (1) the commissioner must deduct the costs of collecting and administering the taxes  
40.28 authorized in section 2, according to the applicable state laws and agreements between  
40.29 the commissioner of revenue and the city;

40.30 (2) after deducting the costs in clause (1), the commissioner of revenue must deduct  
40.31 refunds of any of these taxes due to taxpayers, if any; and

41.1 (3) after making the deductions provided in clause (2), notwithstanding the  
41.2 provisions of any agreement between the commissioner of revenue and the city providing  
41.3 for collection and remittance of these taxes, the commissioner of revenue must deposit  
41.4 the remaining amount in the general fund.

41.5 Subd. 2. **Parking revenue.** The authority shall remit to the commissioner of  
41.6 revenue the amounts collected from the parking lot admissions and the sale of parking lot  
41.7 naming rights authorized under section 2 for deposit in the general fund.

41.8 Subd. 3. **State general levy revenues.** The county shall remit to the commissioner  
41.9 of revenue the amounts of increased state general levy revenue derived from taxable  
41.10 private development within the stadium and development areas for deposit in the general  
41.11 fund.

41.12 Subd. 4. **Site-based sales tax growth.** The commissioner of revenue must designate  
41.13 for each year, beginning in 2016 through 2047, the site-based general tax growth for that  
41.14 year compared to the general sales tax paid at the Metrodome in 2015 as determined  
41.15 pursuant to section 6.

41.16 Subd. 5. **Revenue deposits.** From the revenues identified in subdivisions 1 to 4  
41.17 and sections 4 and 5, the commissioner of revenue must deposit to the general fund for  
41.18 state bond debt service support beginning in calendar year 2016, and for each calendar  
41.19 year thereafter through calendar year 2046, proportionate amounts periodically so that  
41.20 not later than December 31, 2046, an aggregate annual amount equal to a present value  
41.21 of \$270,000,000 shall have been deposited in the general fund. To determine aggregate  
41.22 present value, the commissioner of revenue must consult with the commissioner of  
41.23 management and budget regarding the present value dates, discount rate or rates, and  
41.24 schedules of annual amounts. The present value date or dates must be based on the date  
41.25 or dates bonds are sold under Minnesota Statutes, section 16A.965, or the date or dates  
41.26 other state funds, if any, are deposited into the construction fund. The discount rate or  
41.27 rates must be based on the all in true interest cost of the bonds issued under Minnesota  
41.28 Statutes, section 16A.965, or equivalent 30-year bond index, as determined by the  
41.29 commissioner of management and budget. The schedule of annual amounts must be  
41.30 certified to the commissioner of revenue by the commissioner of management and budget  
41.31 and the finance officer of the city.

41.32 **Sec. 8. EFFECTIVE DATE; LOCAL APPROVAL.**

41.33 This article is effective the day after the governing body of the city of Arden Hills  
41.34 and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions  
41.35 2 and 3. Notwithstanding any law to the contrary, the city of Arden Hills and its chief

42.1 clerical officer have 30 calendar days following final enactment of this act, to comply with  
42.2 Minnesota Statutes, section 645.021, subdivisions 2 and 3.

42.3 Sec. 9. **SEVERABILITY; SAVINGS.**

42.4 If any part of this article is found to be invalid because it is in conflict with a  
42.5 provision of the Minnesota Constitution or for any other reason, all other provisions of  
42.6 this article shall remain valid and any rights, remedies, and privileges that have been  
42.7 otherwise accrued by this article, shall remain in effect and may be proceeded with and  
42.8 concluded under the provisions of this article.

42.9 **ARTICLE 5**

42.10 **LAWFUL GAMBLING**

42.11 Section 1. Minnesota Statutes 2010, section 349.12, subdivision 3b, is amended to read:

42.12 Subd. 3b. **Bar operation.** "Bar operation" means a method of selling and redeeming  
42.13 disposable gambling equipment by an employee of the lessor within a leased premises  
42.14 which is licensed for the on-sale of alcoholic beverages ~~where such sales and redemptions~~  
42.15 ~~are made by an employee of the lessor from a common area where food and beverages~~  
42.16 ~~are also sold.~~

42.17 Sec. 2. Minnesota Statutes 2010, section 349.12, subdivision 3c, is amended to read:

42.18 Subd. 3c. **Bar bingo.** "Bar bingo" is a bingo occasion conducted at a permitted  
42.19 premises in an area where intoxicating liquor or 3.2 percent malt beverages are sold and  
42.20 where the licensed organization conducts another form of lawful gambling. Bar bingo  
42.21 does not include bingo games linked to other permitted premises.

42.22 Sec. 3. Minnesota Statutes 2010, section 349.12, subdivision 5, is amended to read:

42.23 Subd. 5. **Bingo occasion.** "Bingo occasion" means a single gathering or session at  
42.24 which a series of one or more successive bingo games is played. There is no limit on the  
42.25 number of games conducted during a bingo occasion ~~but~~. A bingo occasion must not last  
42.26 longer than eight consecutive hours; except that linked bingo games played on electronic  
42.27 bingo devices may be played during regular business hours of the permitted premises and  
42.28 all play during this period is considered a bingo occasion for reporting purposes. For  
42.29 permitted premises where the primary business is bingo, regular business hours shall be  
42.30 defined as the hours between 8:00 a.m. and 2:00 a.m.

42.31 Sec. 4. Minnesota Statutes 2010, section 349.12, subdivision 6a, is amended to read:

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43.1 Subd. 6a. **Booth operation.** "Booth operation" means a method of selling and  
43.2 redeeming disposable gambling equipment by an employee of a licensed organization in  
43.3 a premises the organization leases or owns ~~where such sales and redemptions are made~~  
43.4 ~~within a separate enclosure that is distinct from areas where food and beverages are sold.~~

43.5 Sec. 5. Minnesota Statutes 2010, section 349.12, subdivision 12a, is amended to read:

43.6 Subd. 12a. **Electronic bingo device.** "Electronic bingo device" means ~~an~~ a  
43.7 handheld and portable electronic device that:

43.8 (a) is used by a bingo player to:

43.9 (1) monitor bingo paper sheets or a facsimile of a bingo paper sheet ~~when~~ purchased  
43.10 and played at the time and place of an organization's bingo occasion ~~and which (1)~~  
43.11 provides a means for bingo players to, or to play an electronic bingo game that is linked  
43.12 with other permitted premises;

43.13 (2) activate numbers announced by a bingo caller; ~~(2) compares~~ or displayed, and  
43.14 to compare the numbers ~~entered by the player~~ to the bingo faces previously stored in  
43.15 the memory of the device; ~~and~~

43.16 (3) ~~identifies~~ identify a winning bingo pattern; or game requirement; and

43.17 (4) play against other bingo players;

43.18 (b) limits the play of bingo faces to 36 faces per game;

43.19 (c) requires coded entry to activate play but does not allow the use of a coin,  
43.20 currency, or tokens to be inserted to activate play;

43.21 (d) may only be used for play against other bingo players in a bingo game;

43.22 (e) has no additional function as an amusement or gambling device;

43.23 (f) has the capability to ensure adequate levels of security and internal controls; and

43.24 (g) has the capability to permit the board to electronically monitor the operation of  
43.25 the device and the internal accounting systems.

43.26 ~~Electronic bingo device does not mean any device into which coin, currency, or tokens are~~  
43.27 ~~inserted to activate play.~~

43.28 Sec. 6. Minnesota Statutes 2010, section 349.12, is amended by adding a subdivision  
43.29 to read:

43.30 Subd. 12b. **Electronic pull-tab device.** "Electronic pull-tab device" means a  
43.31 handheld and portable electronic device that:

43.32 (a) is used to play one or more electronic pull-tab games;

43.33 (b) requires coded entry to activate play but does not allow the use of coin, currency,  
43.34 or tokens to be inserted to activate play;

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- 44.1 (c) allows a player the option to activate the opening of:  
44.2 (1) all tabs of a ticket at the same time; or  
44.3 (2) each tab of a ticket separately;  
44.4 (d) records and maintains information pertaining to accumulated win credits that  
44.5 may be applied to games in play or redeemed upon termination of play;  
44.6 (e) has no spinning symbols or other representations that mimic a video slot machine;  
44.7 (f) has no additional function as a gambling device;  
44.8 (g) may incorporate an amusement game feature as part of the pull-tab game but  
44.9 may not require additional consideration for that feature or contain or award any points,  
44.10 prizes, or other benefit for that feature;  
44.11 (h) may have auditory or visual enhancements to promote or provide information  
44.12 about the game being played, provided the component does not affect the outcome of  
44.13 a game or display the results of a game;  
44.14 (i) maintains, on nonresettable meters, a printable, permanent record of all  
44.15 transactions involving each device and electronic pull-tab games played on the device; and  
44.16 (j) is not a pull-tab dispensing device as defined under subdivision 32a.

44.17 Sec. 7. Minnesota Statutes 2010, section 349.12, is amended by adding a subdivision  
44.18 to read:

44.19 Subd. 12c. **Electronic pull-tab game.** "Electronic pull-tab game" means a pull-tab  
44.20 game containing:

- 44.21 (a) facsimiles of pull-tab tickets that are played on an electronic pull-tab device;  
44.22 (b) a predetermined finite number of winning and losing tickets;  
44.23 (c) the same price for each ticket in the game;  
44.24 (d) a price paid by the player of not less than 25 cents per ticket;  
44.25 (e) tickets that are in conformance with applicable board rules for pull-tabs;  
44.26 (f) winning tickets that comply with prize limits under section 349.211;  
44.27 (g) a unique serial number that may not be regenerated;  
44.28 (h) an electronic flare that displays the game name, form number, predetermined  
44.29 finite number of tickets in the game, and prize tier; and  
44.30 (i) no spinning symbols or other representations that mimic a video slot machine.

44.31 Sec. 8. Minnesota Statutes 2010, section 349.12, is amended by adding a subdivision  
44.32 to read:

44.33 Subd. 12d. **Electronic pull-tab game system.** "Electronic pull-tab game system"  
44.34 means the equipment leased from a licensed distributor and used by a licensed organization

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45.1 to conduct, manage, and record electronic pull-tab games, and to report and transmit the  
45.2 game results as prescribed by the board and the Department of Revenue. The system must  
45.3 provide security and access levels sufficient so that internal control objectives are met as  
45.4 prescribed by the board. The system must contain a point of sale station.

45.5 Sec. 9. Minnesota Statutes 2010, section 349.12, subdivision 18, is amended to read:

45.6 Subd. 18. **Gambling equipment.** "Gambling equipment" means: gambling  
45.7 equipment that is either disposable or permanent gambling equipment.

45.8 (a) Disposable gambling equipment includes the following:

45.9 (1) bingo hard cards or paper sheets, including linked bingo paper sheets, devices for  
45.10 selecting bingo numbers, electronic bingo devices;

45.11 (2) paper and electronic pull-tabs;

45.12 (3) jar tickets, paddle wheels, paddle wheel tables;

45.13 (4) paddle tickets, and paddle ticket cards;

45.14 (5) tipboards, and tipboard tickets; and

45.15 (6) promotional tickets that mimic a pull-tab or tipboard, pull-tab dispensing devices,  
45.16 and programmable electronic devices that have no effect on the outcome of a game and  
45.17 are used to provide a visual or auditory enhancement of a game.

45.18 (b) Permanent gambling equipment includes the following:

45.19 (1) devices for selecting bingo numbers;

45.20 (2) electronic bingo devices;

45.21 (3) electronic pull-tab devices;

45.22 (4) pull-tab dispensing devices;

45.23 (5) programmable electronic devices that have no effect on the outcome of a game  
45.24 and are used to provide a visual or auditory enhancement of a game;

45.25 (6) paddle wheels; and

45.26 (7) paddle wheel tables.

45.27 Sec. 10. Minnesota Statutes 2010, section 349.12, subdivision 25b, is amended to read:

45.28 Subd. 25b. **Linked bingo game provider.** "Linked bingo game provider" means  
45.29 any person who provides the means to link bingo prizes in a linked bingo game, who  
45.30 provides linked bingo paper sheets to the participating organizations games, who provides  
45.31 linked bingo prize management, and who provides the linked bingo game system.

45.32 Sec. 11. Minnesota Statutes 2010, section 349.12, subdivision 25c, is amended to read:

46.1 Subd. 25c. **Linked bingo game system.** "Linked bingo game system" means the  
46.2 equipment used by the linked bingo provider to conduct, transmit, and track a linked  
46.3 bingo game. The system must be approved by the board before its use in this state and  
46.4 it must have ~~dial-up or other~~ the capability to permit the board to electronically monitor  
46.5 its operation remotely. For linked electronic bingo games, the system includes electronic  
46.6 bingo devices.

46.7 Sec. 12. Minnesota Statutes 2010, section 349.12, subdivision 25d, is amended to read:

46.8 Subd. 25d. **Linked bingo prize pool.** "Linked bingo prize pool" means the total  
46.9 of all prize money that each participating organization has contributed to a linked bingo  
46.10 game prize and includes any portion of the prize pool that is carried over from one  
46.11 ~~occasion~~ game to another in a progressive linked bingo game.

46.12 Sec. 13. Minnesota Statutes 2010, section 349.12, subdivision 29, is amended to read:

46.13 Subd. 29. **Paddle wheel.** "Paddle wheel" means a vertical wheel marked off into  
46.14 sections containing one or more numbers, and which, after being turned or spun, uses a  
46.15 pointer or marker to indicate winning chances, and may only be used to determine a  
46.16 winning number or numbers matching a winning paddle ticket purchased by a player. A  
46.17 paddle wheel may be an electronic device that simulates a paddle wheel.

46.18 Sec. 14. Minnesota Statutes 2010, section 349.12, subdivision 31, is amended to read:

46.19 Subd. 31. **Promotional ticket.** A paper pull-tab ticket or paper tipboard ticket  
46.20 created and printed by a licensed manufacturer with the words "no purchase necessary" and  
46.21 "for promotional use only" and for which no consideration is given is a promotional ticket.

46.22 Sec. 15. Minnesota Statutes 2010, section 349.12, subdivision 32, is amended to read:

46.23 Subd. 32. **Pull-tab.** "Pull-tab" means a single folded or banded paper ticket ~~or a~~  
46.24 multi-ply card with perforated break-open tabs, or a facsimile of a paper pull-tab ticket  
46.25 used in conjunction with an electronic pull-tab device, the face of which is initially  
46.26 covered to conceal one or more numbers or symbols, and where one or more of each set of  
46.27 tickets ~~or~~ cards, or facsimiles has been designated in advance as a winner.

46.28 Sec. 16. Minnesota Statutes 2010, section 349.13, is amended to read:

46.29 **349.13 LAWFUL GAMBLING.**

46.30 Lawful gambling is not a lottery or gambling within the meaning of sections 609.75  
46.31 to 609.76 if it is conducted under this chapter. A pull-tab dispensing device, electronic

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47.1 bingo device, and electronic pull-tab device permitted under this chapter and by board  
47.2 rule is not a gambling device within the meaning of sections 609.75 to 609.76 and chapter  
47.3 299L. An electronic game device allowed under this chapter may not be a slot machine.  
47.4 Electronic game devices, including but not limited to electronic bingo devices, electronic  
47.5 paddle wheels, and electronic pull-tab devices authorized under this chapter, may only  
47.6 be used in the conduct of lawful gambling permitted under this chapter and board rule  
47.7 and may not display or simulate any other form of gambling or entertainment, except  
47.8 as otherwise allowed under this chapter.

47.9 Sec. 17. Minnesota Statutes 2010, section 349.151, subdivision 4b, is amended to read:

47.10 Subd. 4b. **Pull-tab sales from dispensing devices.** ~~(a)~~ The board may by rule  
47.11 authorize but not require the use of pull-tab dispensing devices.

47.12 ~~(b) Rules adopted under paragraph (a):~~

47.13 ~~(1) must limit the number of pull-tab dispensing devices on any permitted premises~~  
47.14 ~~to three; and~~

47.15 ~~(2) must limit the use of pull-tab dispensing devices to a permitted premises which is~~  
47.16 ~~(i) a licensed premises for on-sales of intoxicating liquor or 3.2 percent malt beverages;~~  
47.17 ~~or (ii) a premises where bingo is conducted and admission is restricted to persons 18~~  
47.18 ~~years or older.~~

47.19 ~~(c) Notwithstanding rules adopted under paragraph (b), pull-tab dispensing devices~~  
47.20 ~~may be used in establishments licensed for the off-sale of intoxicating liquor, other than~~  
47.21 ~~drugstores and general food stores licensed under section 340A.405, subdivision 1.~~

47.22 Sec. 18. Minnesota Statutes 2010, section 349.151, subdivision 4c, is amended to read:

47.23 Subd. 4c. **Electronic bingo devices.** (a) The board may by rule authorize but not  
47.24 require the use of electronic bingo devices.

47.25 ~~(b) Rules adopted under paragraph (a):~~

47.26 ~~(1) must limit the number of bingo faces that can be played using an electronic~~  
47.27 ~~bingo device to 36;~~

47.28 ~~(2) must require that an electronic bingo device be used with corresponding bingo~~  
47.29 ~~paper sheets or a facsimile, printed at the point of sale, as approved by the board;~~

47.30 ~~(3) must require that the electronic bingo device site system have dial-up capability~~  
47.31 ~~to permit the board to remotely monitor the operation of the device and the internal~~  
47.32 ~~accounting systems; and~~

47.33 ~~(4) must prohibit the price of a face played on an electronic bingo device from being~~  
47.34 ~~less than the price of a face on a bingo paper sheet sold at the same occasion.~~

48.1           (b) The board, or the director if authorized by the board, may require the deactivation  
48.2 of an electronic bingo device for violation of a law or rule and to implement any other  
48.3 controls deemed necessary to ensure and maintain the integrity of electronic bingo devices  
48.4 and the electronic bingo games played on the devices.

48.5           Sec. 19. Minnesota Statutes 2010, section 349.151, is amended by adding a subdivision  
48.6 to read:

48.7           Subd. 4d. **Electronic pull-tab devices and electronic pull-tab game system.** (a)  
48.8 The board may adopt rules it deems necessary to ensure the integrity of electronic pull-tab  
48.9 devices, the electronic pull-tab games played on the devices, and the electronic pull-tab  
48.10 game system necessary to operate them.

48.11           (b) The board may not require an organization to use electronic pull-tab devices.

48.12           (c) Before authorizing the lease or sale of electronic pull-tab devices and the  
48.13 electronic pull-tab game system, the board shall examine electronic pull-tab devices  
48.14 allowed under section 349.12, subdivision 12b. The board may contract for the  
48.15 examination of the game system and electronic pull-tab devices and may require a working  
48.16 model to be transported to locations the board designates for testing, examination, and  
48.17 analysis. The manufacturer must pay all costs of any testing, examination, analysis, and  
48.18 transportation of the model. The system must be approved by the board before its use in  
48.19 the state and must have the capability to permit the board to electronically monitor its  
48.20 operation and internal accounting systems.

48.21           (d) The board may require a manufacturer to submit a certificate from an independent  
48.22 testing laboratory approved by the board to perform testing services, stating that the  
48.23 equipment has been tested, analyzed, and meets the standards required in this chapter  
48.24 and any applicable board rules.

48.25           (e) The board, or the director if authorized by the board, may require the deactivation  
48.26 of an electronic pull-tab device for violation of a law or rule and to implement any other  
48.27 controls deemed necessary to ensure and maintain the integrity of electronic pull-tab  
48.28 devices and the electronic pull-tab games played on the devices.

48.29           Sec. 20. Minnesota Statutes 2010, section 349.161, subdivision 1, is amended to read:

48.30           Subdivision 1. **Prohibited acts; licenses required.** (a) No person may:

48.31           (1) sell, offer for sale, or furnish gambling equipment for use within the state other  
48.32 than for lawful gambling exempt or excluded from licensing, except to an organization  
48.33 licensed for lawful gambling;

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49.1 (2) sell, offer for sale, or furnish gambling equipment for use within the state without  
49.2 having obtained a distributor license or a distributor salesperson license under this section  
49.3 except that an organization authorized to conduct bingo by the board may loan bingo  
49.4 hard cards and devices for selecting bingo numbers to another organization authorized to  
49.5 conduct bingo and a linked bingo game provider may provide electronic bingo devices for  
49.6 linked electronic bingo games;

49.7 (3) sell, offer for sale, or furnish gambling equipment for use within the state that is  
49.8 not purchased or obtained from a manufacturer or distributor licensed under this chapter; or

49.9 (4) sell, offer for sale, or furnish gambling equipment for use within the state that  
49.10 has the same serial number as another item of gambling equipment of the same type sold  
49.11 or offered for sale or furnished for use in the state by that distributor.

49.12 (b) No licensed distributor salesperson may sell, offer for sale, or furnish gambling  
49.13 equipment for use within the state without being employed by a licensed distributor or  
49.14 owning a distributor license.

49.15 (c) No distributor or distributor salesperson may also be licensed as a linked bingo  
49.16 game provider under section 349.1635.

49.17 Sec. 21. Minnesota Statutes 2010, section 349.161, subdivision 5, is amended to read:

49.18 Subd. 5. **Prohibition.** (a) No distributor, distributor salesperson, or other employee  
49.19 of a distributor, may also be a wholesale distributor of alcoholic beverages or an employee  
49.20 of a wholesale distributor of alcoholic beverages.

49.21 (b) No distributor, distributor salesperson, or any representative, agent, affiliate, or  
49.22 other employee of a distributor, may: (1) be involved in the conduct of lawful gambling  
49.23 by an organization; (2) keep or assist in the keeping of an organization's financial records,  
49.24 accounts, and inventories; or (3) prepare or assist in the preparation of tax forms and other  
49.25 reporting forms required to be submitted to the state by an organization.

49.26 (c) No distributor, distributor salesperson, or any representative, agent, affiliate,  
49.27 or other employee of a distributor may provide a lessor of gambling premises any  
49.28 compensation, gift, gratuity, premium, or other thing of value.

49.29 (d) No distributor, distributor salesperson, or any representative, agent, affiliate, or  
49.30 other employee of a distributor may provide an employee or agent of the organization  
49.31 any compensation, gift, gratuity, premium, or other thing of value greater than \$25 per  
49.32 organization in a calendar year.

49.33 (e) No distributor, distributor salesperson, or any representative, agent, affiliate, or  
49.34 other employee of a distributor may participate in any gambling activity at any gambling

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50.1 site or premises where gambling equipment purchased or leased from that distributor or  
50.2 distributor salesperson is being used in the conduct of lawful gambling.

50.3 (f) No distributor, distributor salesperson, or any representative, agent, affiliate, or  
50.4 other employee of a distributor may alter or modify any gambling equipment, except to  
50.5 add a "last ticket sold" prize sticker for a paper pull-tab game.

50.6 (g) No distributor, distributor salesperson, or any representative, agent, affiliate, or  
50.7 other employee of a distributor may: (1) recruit a person to become a gambling manager  
50.8 of an organization or identify to an organization a person as a candidate to become  
50.9 gambling manager for the organization; or (2) identify for an organization a potential  
50.10 gambling location.

50.11 (h) No distributor or distributor salesperson may purchase or lease gambling  
50.12 equipment for resale or lease to a person for use within the state from any person not  
50.13 licensed as a manufacturer under section 349.163, except for gambling equipment  
50.14 returned from an organization licensed under section 349.16, or exempt or excluded from  
50.15 licensing under section 349.166.

50.16 (i) No distributor or distributor salesperson may sell gambling equipment, except  
50.17 gambling equipment identified as a promotional ticket, to any person for use in Minnesota  
50.18 other than (i) a licensed organization or organization excluded or exempt from licensing,  
50.19 or (ii) the governing body of an Indian tribe.

50.20 (j) No distributor or distributor salesperson may sell or otherwise provide a paper  
50.21 pull-tab or tipboard deal with the symbol required by section 349.163, subdivision 5,  
50.22 paragraph (d), visible on the flare to any person other than in Minnesota to a licensed  
50.23 organization or organization exempt from licensing.

50.24 Sec. 22. Minnesota Statutes 2010, section 349.162, subdivision 5, is amended to read:

50.25 Subd. 5. **Sales from facilities.** (a) All gambling equipment purchased or possessed  
50.26 by a licensed distributor for resale or lease to any person for use in Minnesota must, prior  
50.27 to the equipment's resale or lease, be unloaded into a storage facility located in Minnesota  
50.28 which the distributor owns or leases; and which has been registered, in advance and in  
50.29 writing, with the Division of Alcohol and Gambling Enforcement as a storage facility of  
50.30 the distributor. All unregistered gambling equipment and all unaffixed registration stamps  
50.31 owned by, or in the possession of, a licensed distributor in the state of Minnesota shall be  
50.32 stored at a storage facility which has been registered with the Division of Alcohol and  
50.33 Gambling Enforcement. No gambling equipment may be moved from the facility unless  
50.34 the gambling equipment has been first registered with the board or the Department of  
50.35 Revenue. A distributor must notify the board of the method that it will use to sell and

51.1 transfer electronic pull-tab games to licensed organizations, and must receive approval of  
51.2 the board before implementing or making changes to the approved method.

51.3 (b) Notwithstanding section 349.163, subdivisions 5, 6, and 8, a licensed  
51.4 manufacturer may ship into Minnesota approved or unapproved gambling equipment if the  
51.5 licensed manufacturer ships the gambling equipment to a Minnesota storage facility that  
51.6 is: (1) owned or leased by the licensed manufacturer; and (2) registered, in advance and  
51.7 in writing, with the Division of Alcohol and Gambling Enforcement as a manufacturer's  
51.8 storage facility. No gambling equipment may be shipped into Minnesota to the  
51.9 manufacturer's registered storage facility unless the shipment of the gambling equipment  
51.10 is reported to the Department of Revenue in a manner prescribed by the department.  
51.11 No gambling equipment may be moved from the storage facility unless the gambling  
51.12 equipment is sold to a licensed distributor and is otherwise in conformity with this chapter,  
51.13 is shipped to an out-of-state site and the shipment is reported to the Department of  
51.14 Revenue in a manner prescribed by the department, or is otherwise sold and shipped as  
51.15 permitted by board rule. A manufacturer must notify the board of the method that it will  
51.16 use to sell and transfer electronic pull-tab games to licensed distributors, and must receive  
51.17 approval of the board before implementing or making changes to the approved method.

51.18 (c) All storage facilities owned, leased, used, or operated by a licensed distributor  
51.19 or manufacturer may be entered upon and inspected by the employees of the Division of  
51.20 Alcohol and Gambling Enforcement, the Division of Alcohol and Gambling Enforcement  
51.21 director's authorized representatives, employees of the Gambling Control Board or its  
51.22 authorized representatives, employees of the Department of Revenue, or authorized  
51.23 representatives of the director of the Division of Special Taxes of the Department of  
51.24 Revenue during reasonable and regular business hours. Obstruction of, or failure to  
51.25 permit, entry and inspection is cause for revocation or suspension of a manufacturer's or  
51.26 distributor's licenses and permits issued under this chapter.

51.27 (d) Unregistered gambling equipment found at any location in Minnesota other than  
51.28 the manufacturing plant of a licensed manufacturer or a registered storage facility are  
51.29 contraband under section 349.2125. This paragraph does not apply:

51.30 (1) to unregistered gambling equipment being transported in interstate commerce  
51.31 between locations outside this state, if the interstate shipment is verified by a bill of lading  
51.32 or other valid shipping document; and

51.33 (2) to gambling equipment registered with the Department of Revenue for  
51.34 distribution to the tribal casinos.

51.35 Sec. 23. Minnesota Statutes 2010, section 349.163, subdivision 1, is amended to read:

52.1 Subdivision 1. **License required.** No manufacturer of gambling equipment may  
52.2 sell any gambling equipment to any person for use or resale within the state, unless the  
52.3 manufacturer has a current and valid license issued by the board under this section and has  
52.4 satisfied other criteria prescribed by the board by rule. A manufacturer licensed under this  
52.5 section may also be licensed as a linked bingo game provider under section 349.1635.

52.6 A manufacturer licensed under this section may not also be directly or indirectly  
52.7 licensed as a distributor under section 349.161.

52.8 Sec. 24. Minnesota Statutes 2010, section 349.163, subdivision 5, is amended to read:

52.9 Subd. 5. **Paper pull-tab and tipboard flares.** (a) A manufacturer may not ship or  
52.10 cause to be shipped into this state or sell for use or resale in this state any deal of paper  
52.11 pull-tabs or tipboards that does not have its own individual flare as required for that deal  
52.12 by this subdivision and rule of the board. A person other than a manufacturer may not  
52.13 manufacture, alter, modify, or otherwise change a flare for a deal of paper pull-tabs or  
52.14 tipboards except as allowed by this chapter or board rules.

52.15 (b) The flare of each paper pull-tab and tipboard game must have affixed to  
52.16 or imprinted at the bottom a bar code that provides all information required by the  
52.17 commissioner of revenue under section 297E.04, subdivision 2.

52.18 The serial number included in the bar code must be the same as the serial number  
52.19 of the tickets included in the deal. A manufacturer who manufactures a deal of paper  
52.20 pull-tabs must affix to the outside of the box containing that game the same bar code that  
52.21 is affixed to or imprinted at the bottom of a flare for that deal.

52.22 (c) No person may alter the bar code that appears on the outside of a box containing  
52.23 a deal of paper pull-tabs and tipboards. Possession of a box containing a deal of paper  
52.24 pull-tabs and tipboards that has a bar code different from the bar code of the deal inside  
52.25 the box is prima facie evidence that the possessor has altered the bar code on the box.

52.26 (d) The flare of each deal of paper pull-tabs and tipboards sold by a manufacturer for  
52.27 use or resale in Minnesota must have imprinted on it a symbol that is at least one inch high  
52.28 and one inch wide consisting of an outline of the geographic boundaries of Minnesota  
52.29 with the letters "MN" inside the outline. The flare must be placed inside the wrapping of  
52.30 the deal which the flare describes.

52.31 (e) Each paper pull-tab and tipboard flare must bear the following statement printed  
52.32 in letters large enough to be clearly legible:

52.33 "Pull-tab (or tipboard) purchasers – This pull-tab (or tipboard) game is not legal in  
52.34 Minnesota unless:

52.35 – an outline of Minnesota with letters "MN" inside it is imprinted on this sheet, and

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53.1           – the serial number imprinted on the bar code at the bottom of this sheet is the same  
53.2 as the serial number on the pull-tab (or tipboard) ticket you have purchased."

53.3           (f) The flare of each paper pull-tab and tipboard game must have the serial number  
53.4 of the game imprinted on the bar code at the bottom of the flare in numerals at least  
53.5 one-half inch high.

53.6           Sec. 25. Minnesota Statutes 2010, section 349.163, subdivision 6, is amended to read:

53.7           Subd. 6. **Samples of gambling equipment.** (a) The board shall require each  
53.8 licensed manufacturer to submit to the board one or more samples of each item of gambling  
53.9 equipment ~~the manufacturer manufactures~~ manufactured for use or resale in this state.  
53.10 For purposes of this subdivision, a manufacturer is also required to submit the applicable  
53.11 version of any software necessary to operate electronic devices and related systems.

53.12           (b) The board shall inspect and test all the equipment, including software and  
53.13 software upgrades, it deems necessary to determine the equipment's compliance with  
53.14 law and board rules. Samples required under this subdivision must be approved by the  
53.15 board before the equipment being sampled is shipped into or sold for use or resale in this  
53.16 state. The board shall impose a fee of \$25 for each item of gambling equipment that the  
53.17 manufacturer submits for approval or for which the manufacturer requests approval. The  
53.18 board shall impose a fee of \$100 for each sample of gambling equipment that it tests.

53.19           (c) The board may require samples of gambling equipment to be tested by an  
53.20 independent testing laboratory prior to submission to the board for approval. All costs  
53.21 of testing by an independent testing laboratory must be borne by the manufacturer. An  
53.22 independent testing laboratory used by a manufacturer to test samples of gambling  
53.23 equipment must be approved by the board before the equipment is submitted to the  
53.24 laboratory for testing.

53.25           (d) The board may request the assistance of the commissioner of public safety and  
53.26 the director of the State Lottery in performing the tests.

53.27           Sec. 26. Minnesota Statutes 2010, section 349.1635, subdivision 2, is amended to read:

53.28           Subd. 2. **License application.** The board may issue a license to a linked bingo game  
53.29 provider or to a manufacturer licensed under section 349.163 who meets the qualifications  
53.30 of this chapter and the rules promulgated by the board. The application shall be on a form  
53.31 prescribed by the board. The license is valid for two years and the fee for a linked bingo  
53.32 game provider license is \$5,000 per year.

53.33           Sec. 27. Minnesota Statutes 2010, section 349.1635, subdivision 3, is amended to read:

54.1 Subd. 3. **Attachments to application.** An applicant for a linked bingo game  
54.2 provider license must attach to its application:

54.3 (1) evidence of a bond in the principal amount of \$100,000 payable to the state of  
54.4 Minnesota conditioned on the payment of all linked bingo prizes and any other money due  
54.5 and payable under this chapter;

54.6 (2) detailed plans and specifications for the operation of the linked bingo game and  
54.7 the linked bingo system, along with a proposed fee schedule for the cost of providing  
54.8 services and equipment to licensed organizations which may not exceed ... percent of  
54.9 gross profits. The fee schedule must incorporate costs paid to distributors for services  
54.10 provided under subdivision 5; and

54.11 (3) any other information required by the board by rule.

54.12 Sec. 28. Minnesota Statutes 2010, section 349.1635, is amended by adding a  
54.13 subdivision to read:

54.14 Subd. 5. **Linked bingo game services requirements.** (a) A linked bingo game  
54.15 provider must contract with licensed distributors for linked bingo game services including,  
54.16 but not limited to, the solicitation of agreements with licensed organizations, and  
54.17 installation, repair, or maintenance of the linked bingo game system.

54.18 (b) A distributor may not charge a fee to licensed organizations for services  
54.19 authorized and rendered under paragraph (a).

54.20 (c) A linked bingo game provider may not contract with any distributor on an  
54.21 exclusive basis.

54.22 (d) A linked bingo game provider may refuse to contract with a licensed distributor  
54.23 if the linked bingo game provider demonstrates that the licensed distributor is not capable  
54.24 of performing the services under the contract.

54.25 Sec. 29. Minnesota Statutes 2010, section 349.17, subdivision 6, is amended to read:

54.26 Subd. 6. **Conduct of bingo.** The price of a face played on an electronic bingo  
54.27 device may not be less than the price of a face on a bingo paper sheet sold for the same  
54.28 game at the same occasion. A game of bingo begins with the first letter and number called  
54.29 or displayed. Each player must cover, mark, or activate the numbers when bingo numbers  
54.30 are randomly selected, and announced, ~~and~~ or displayed to the players, ~~either manually~~  
54.31 ~~or with a flashboard and monitor.~~ The game is won when a player, using bingo paper,  
54.32 bingo hard card, or a facsimile of a bingo paper sheet, has completed, as described in the  
54.33 bingo program, a previously designated pattern or previously determined requirements

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55.1 of the game and declared bingo. The game is completed when a winning card, sheet, or  
55.2 facsimile is verified and a prize awarded pursuant to subdivision 3.

55.3 Sec. 30. Minnesota Statutes 2010, section 349.17, subdivision 7, is amended to read:

55.4 Subd. 7. **Bar bingo.** An organization may conduct bar bingo subject to the  
55.5 following restrictions:

55.6 (1) the bingo is conducted at a site the organization owns or leases and which has a  
55.7 license for the sale of intoxicating beverages on the premises under chapter 340A; and

55.8 (2) the bingo is conducted using only bingo paper sheets or facsimiles of bingo paper  
55.9 sheets purchased from a licensed distributor or licensed linked bingo game provider; and

55.10 ~~(3) no rent may be paid for a bar bingo occasion.~~

55.11 Sec. 31. Minnesota Statutes 2010, section 349.17, subdivision 8, is amended to read:

55.12 Subd. 8. **Linked bingo games.** (a) A licensed organization may conduct or  
55.13 participate in ~~not more than two~~ linked bingo games ~~per occasion, one of which may be,~~  
55.14 including a progressive game in which a portion of the prize is carried over from one  
55.15 ~~occasion~~ game to another until won by a player achieving a bingo within a predetermined  
55.16 amount of bingo numbers called.

55.17 ~~(b) Each participating licensed organization shall contribute to each prize awarded in~~  
55.18 ~~a linked bingo game in an amount not to exceed \$300.~~ Linked bingo games may only be  
55.19 conducted by licensed organizations who have a valid agreement with the linked bingo  
55.20 game provider.

55.21 (c) An electronic bingo device as defined in section 349.12, subdivision 12a, may  
55.22 be used for a linked bingo game.

55.23 (d) The board may adopt rules to:

55.24 (1) specify the manner in which a linked bingo game must be played and how the  
55.25 linked bingo prizes must be awarded;

55.26 (2) specify the records to be maintained by a linked bingo game provider;

55.27 (3) require the submission of periodic reports by the linked bingo game provider and  
55.28 specify the content of the reports;

55.29 (4) establish the qualifications required to be licensed as a linked bingo game  
55.30 provider; and

55.31 (5) any other matter involving the operation of a linked bingo game.

55.32 Sec. 32. Minnesota Statutes 2010, section 349.17, is amended by adding a subdivision  
55.33 to read:

56.1 Subd. 9. **Linked bingo games played exclusively on electronic bingo devices.** In  
56.2 addition to the requirements of subdivision 8, the following requirements and restrictions  
56.3 apply when linked bingo games are played exclusively on electronic bingo devices:

56.4 (a) The permitted premises must be:

56.5 (1) a premises licensed for the on-sale or off-sale of intoxicating liquor or 3.2 percent  
56.6 malt beverages, except for a general food store or drug store permitted to sell alcoholic  
56.7 beverages under section 340A.405, subdivision 1; or

56.8 (2) a premises where bingo is conducted as the primary business and has a seating  
56.9 capacity of at least 100.

56.10 (b) The number of electronic bingo devices is limited to:

56.11 (1) no more than six devices in play for permitted premises with 200 seats or less;

56.12 (2) no more than 12 devices in play for permitted premises with 201 seats or more;

56.13 and

56.14 (3) no more than 50 devices in play for permitted premises where bingo is the  
56.15 primary business.

56.16 Seating capacity is determined as specified under the local fire code.

56.17 (c) Prior to a bingo occasion, the linked bingo game provider, on behalf of the  
56.18 participating organizations, must provide to the board a bingo program in a format  
56.19 prescribed by the board.

56.20 (d) Before participating in the play of a linked bingo game, a player must present  
56.21 and register a valid picture identification card that includes the player's address and  
56.22 date of birth.

56.23 (e) An organization may remove from play a device that a player has not maintained  
56.24 in an activated mode for a specified period of time determined by the organization. The  
56.25 organization must provide the notice in its house rules.

56.26 Sec. 33. Minnesota Statutes 2010, section 349.1721, is amended to read:

56.27 **349.1721 CONDUCT OF PULL-TABS.**

56.28 Subdivision 1. **Cumulative or carryover games.** The board shall by rule permit  
56.29 pull-tab games with multiple seals. The board shall also adopt rules for pull-tab games with  
56.30 cumulative or carryover prizes. The rules shall also apply to electronic pull-tab games.

56.31 Subd. 2. **Event games.** The board shall by rule permit pull-tab games in which  
56.32 certain winners are determined by the random selection of one or more bingo numbers  
56.33 or by another method approved by the board. The rules shall also apply to electronic  
56.34 pull-tab games.

57.1 Subd. 3. Pull-tab dispensing device location restrictions and requirements.

57.2 The following pertain to pull-tab dispensing devices as defined under section 349.12,  
57.3 subdivision 32a.

57.4 (a) The use of any pull-tab dispensing device must be at a permitted premises  
57.5 which is:

57.6 (1) a licensed premises for on-sale of intoxicating liquor or 3.2 percent malt  
57.7 beverages;

57.8 (2) a premises where bingo is conducted as the primary business; or

57.9 (3) an establishment licensed for the off-sale of intoxicating liquor, other than drug  
57.10 stores and general food stores licensed under section 340A.405, subdivision 1.

57.11 (b) The number of pull-tab dispensing devices located at any permitted premises  
57.12 is limited to three.

57.13 Subd. 4. Electronic pull-tab device requirements and restrictions. The following  
57.14 pertain to the use of electronic pull-tab devices as defined under section 349.12,  
57.15 subdivision 12b.

57.16 (a) The use of any electronic pull-tab device must be at a permitted premises that is:

57.17 (1) a premises licensed for the on-sale or off-sale of intoxicating liquor or 3.2 percent  
57.18 malt beverages, except for a general food store or drug store permitted to sell alcoholic  
57.19 beverages under section 340A.405, subdivision 1; or

57.20 (2) a premises where bingo is conducted as the primary business and has a seating  
57.21 capacity of at least 100; and

57.22 (3) where the sale of paper pull-tabs is conducted by the licensed organization.

57.23 (b) The number of electronic pull-tab devices is limited to:

57.24 (1) no more than six devices in play at any permitted premises with 200 seats or less;

57.25 (2) no more than 12 devices in play at any permitted premises with 201 seats  
57.26 or more; and

57.27 (3) no more than 50 devices in play at any permitted premises where the primary  
57.28 business is bingo.

57.29 Seating capacity is determined as specified under the local fire code.

57.30 (c) The hours of operation for the devices are limited to 8:00 a.m. to 2:00 a.m.

57.31 (d) All electronic pull-tab games must be sold and played on the permitted premises  
57.32 and may not be linked to other permitted premises.

57.33 (e) Electronic pull-tab games may not be transferred electronically or otherwise to  
57.34 any other location by the licensed organization.

57.35 (f) Electronic pull-tab games may be commingled if the games are from the same  
57.36 family of games and manufacturer and contain the same game name, form number, type

58.1 of game, ticket count, prize amounts, and prize denominations. Each commingled game  
58.2 must have a unique serial number.

58.3 (g) An organization may remove from play a device that a player has not maintained  
58.4 in an activated mode for a specified period of time determined by the organization. The  
58.5 organization must provide the notice in its house rules.

58.6 (h) Before participating in the play of an electronic pull-tab game, a player must  
58.7 present and register a valid picture identification card that includes the player's address  
58.8 and date of birth.

58.9 (i) Each player is limited to the use of one device at a time.

58.10 Sec. 34. Minnesota Statutes 2010, section 349.18, subdivision 1, is amended to read:

58.11 Subdivision 1. **Lease or ownership required; rent limitations.** (a) An organization  
58.12 may conduct lawful gambling only on premises it owns or leases. Leases must be on a  
58.13 form prescribed by the board. The term of the lease is concurrent with the premises permit.  
58.14 Leases approved by the board must specify that the board may authorize an organization  
58.15 to withhold rent from a lessor for a period of up to 90 days if the board determines that  
58.16 illegal gambling occurred on the premises or that the lessor or its employees participated  
58.17 in the illegal gambling or knew of the gambling and did not take prompt action to stop the  
58.18 gambling. The lease must authorize the continued tenancy of the organization without  
58.19 the payment of rent during the time period determined by the board under this paragraph.  
58.20 Copies of all leases must be made available to employees of the board and the Division of  
58.21 Alcohol and Gambling Enforcement on request.

58.22 (b) Rent paid by an organization for leased premises for the conduct of ~~pull-tabs,~~  
58.23 ~~tipboards, and paddle wheels~~ lawful gambling is subject to the following limits and  
58.24 restrictions:

58.25 (1) For booth operations, ~~including booth operations where a pull-tab dispensing~~  
58.26 ~~device is located, booth operations where a bar operation is also conducted, and booth~~  
58.27 ~~operations where both a pull-tab dispensing device is located and a bar operation is also~~  
58.28 ~~conducted, the maximum rent is:~~ monthly rent may not exceed ten percent of gross profits  
58.29 for that month.

58.30 (i) ~~in any month where the organization's gross profit at those premises does not~~  
58.31 ~~exceed \$4,000, up to \$400; and~~

58.32 (ii) ~~in any month where the organization's gross profit at those premises exceeds~~  
58.33 ~~\$4,000, up to \$400 plus not more than ten percent of the gross profit for that month in~~  
58.34 ~~excess of \$4,000;~~

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59.1 (2) For bar operations, ~~including bar operations where a pull-tab dispensing device~~  
59.2 ~~is located but not including bar operations subject to clause (1), and for locations where~~  
59.3 ~~only a pull-tab dispensing device is located:~~ monthly rent may not exceed 15 percent of  
59.4 the gross profits for that month.

59.5 (i) ~~in any month where the organization's gross profit at those premises does not~~  
59.6 ~~exceed \$1,000, up to \$200; and~~

59.7 (ii) ~~in any month where the organization's gross profit at those premises exceeds~~  
59.8 ~~\$1,000, up to \$200 plus not more than 20 percent of the gross profit for that month~~  
59.9 ~~in excess of \$1,000;~~

59.10 (3) ~~a lease not governed by clauses (1) and (2) must be approved by the board before~~  
59.11 ~~becoming effective;~~ For electronic linked bingo games and electronic pull-tab games that  
59.12 are operated for separate time periods within a business day by an organization and the  
59.13 lessor, monthly rent may not be more than:

59.14 (i) 15 percent of the gross profits for that month for the time periods operated by  
59.15 the lessor. The lessor is responsible for cash shortages that occur during the time periods  
59.16 the games are operated by the lessor; and

59.17 (ii) ten percent of gross profits for that month for the time periods operated by the  
59.18 organization. The organization is responsible for cash shortages that occur during the time  
59.19 periods the games are operated by the organization.

59.20 (4) ~~total rent paid to a lessor from all organizations from leases governed by clause~~  
59.21 ~~(1) may not exceed \$1,750 per month.~~

59.22 (c) ~~Rent paid by an organization for leased premises for the conduct of bingo is~~  
59.23 ~~subject to either of the following limits at the option of the parties to the lease:~~

59.24 (4) For bingo conducted at a leased premises where the primary business is  
59.25 bingo, rent is limited to either not more than ten percent of the monthly gross profit from  
59.26 all lawful gambling activities held during bingo occasions, excluding bar bingo or at a  
59.27 rate based on a cost per square foot not to exceed 110 percent of a comparable cost per  
59.28 square foot for leased space as approved by the director; and

59.29 (5) No rent may be paid for bar bingo as defined in section 349.12, subdivision 3c.

59.30 (6) A lease not governed by clauses (1) to (5) must be approved by the director  
59.31 before becoming effective.

59.32 (c) Amounts paid as rent under leases are all-inclusive. No other services or  
59.33 expenses provided or contracted by the lessor may be paid by the organization, including,  
59.34 but not limited to, trash removal, janitorial and cleaning services, snow removal, lawn  
59.35 services, electricity, heat, security, security monitoring, storage, and other utilities or  
59.36 services, and, in the case of bar operations, cash shortages, unless approved by the

60.1 director. The lessor shall be responsible for the cost of any communications network or  
60.2 service required to conduct electronic pull-tab games or electronic bingo games. Any  
60.3 other expenditure made by an organization that is related to a leased premises must be  
60.4 approved by the director. For bar operations, the lessor is responsible for cash shortages.  
60.5 An organization may not provide any compensation or thing of value to a lessor or the  
60.6 lessor's employees from any fund source other than its gambling account. Rent payments  
60.7 may not be made to an individual.

60.8 ~~(e)~~ (d) Notwithstanding paragraph (b), an organization may pay a lessor for food  
60.9 or beverages or meeting room rental if the charge made is comparable to similar charges  
60.10 made to other individuals or groups.

60.11 ~~(f) No entity other than the~~ (e) A licensed organization may not conduct any activity  
60.12 within a booth operation on behalf of the lessor on a leased premises.

60.13 Sec. 35. Minnesota Statutes 2010, section 349.19, subdivision 2, is amended to read:

60.14 Subd. 2. **Accounts.** (a) Gross receipts from lawful gambling by each organization  
60.15 must be segregated from all other revenues of the conducting organization and placed in a  
60.16 separate gambling bank account.

60.17 (b) All expenditures for allowable expenses, taxes, and lawful purposes must be  
60.18 made from the separate account except (1) in the case of expenditures previously approved  
60.19 by the organization's membership for emergencies as defined by board rule, (2) as provided  
60.20 in subdivision 2a, or (3) when restricted to one electronic fund transaction for the payment  
60.21 of taxes for the organization as a whole, the organization may transfer the amount of taxes  
60.22 related to the conduct of gambling to the general account at the time when due and payable.

60.23 (c) The name and address of the bank, the account number for the separate account,  
60.24 and the names of organization members authorized as signatories on the separate account  
60.25 must be provided to the board when the application is submitted. Changes in the  
60.26 information must be submitted to the board at least ten days before the change is made.

60.27 (d) Except for gambling receipts from electronic pull-tab games and linked  
60.28 electronic bingo games, gambling receipts must be deposited into the gambling bank  
60.29 account within four business days of completion of the bingo occasion, deal, or game from  
60.30 which they are received.

60.31 (1) A deal of paper pull-tabs is considered complete when either the last pull-tab of  
60.32 the deal is sold or the organization does not continue the play of the deal during the next  
60.33 scheduled period of time in which the organization will conduct pull-tabs.

61.1           (2) A tipboard game is considered complete when the seal on the game flare is  
61.2 uncovered or the organization does not continue the play of the deal during the next  
61.3 scheduled period of time in which the organization will conduct tipboards.

61.4           (e) Gambling receipts from all electronic pull-tab games and all linked electronic  
61.5 bingo games must be recorded on a daily basis and deposited into the gambling bank  
61.6 account within two business days.

61.7           ~~(e)~~ (f) Deposit records must be sufficient to allow determination of deposits made  
61.8 from each bingo occasion, deal, or game at each permitted premises.

61.9           ~~(f)~~ (g) The person who accounts for gambling gross receipts and profits may not be  
61.10 the same person who accounts for other revenues of the organization.

61.11           Sec. 36. Minnesota Statutes 2010, section 349.19, subdivision 3, is amended to read:

61.12           Subd. 3. **Expenditures.** (a) All expenditures of gross profits from lawful gambling  
61.13 must be itemized as to payee, purpose, amount, and date of payment.

61.14           (b) Each licensed organization must report monthly to the board ~~on a form~~ in an  
61.15 electronic format prescribed by the board each expenditure or contribution of net profits  
61.16 from lawful gambling. The reports must provide for each expenditure or contribution:

61.17           (1) the name of the recipient of the expenditure or contribution;

61.18           (2) the date the expenditure or contribution was approved by the organization;

61.19           (3) the date, amount, and check number or electronic transfer confirmation number  
61.20 of the expenditure or contribution;

61.21           (4) a brief description of how the expenditure or contribution meets one or more of  
61.22 the purposes in section 349.12, subdivision 25; and

61.23           (5) in the case of expenditures authorized under section 349.12, subdivision 25,  
61.24 paragraph (a), clause (7), whether the expenditure is for a facility or activity that primarily  
61.25 benefits male or female participants.

61.26           (c) Authorization of the expenditures must be recorded in the monthly meeting  
61.27 minutes of the licensed organization.

61.28           (d) Checks or authorizations for electronic fund transfers for expenditures of gross  
61.29 profits must be signed by at least two persons authorized by board rules to sign the  
61.30 checks or authorizations.

61.31           (e) Expenditures of gross profits from lawful gambling for local, state, and federal  
61.32 taxes as identified in section 349.12, subdivision 25, paragraph (a), clause (8), may be  
61.33 transferred electronically from the organization's gambling account directly to bank  
61.34 accounts identified by local, state, or federal agencies if the organization's gambling

62.1 account monthly bank statement specifically identifies the payee by name, the amount  
62.2 transferred, and the date of the transaction.

62.3 (f) Expenditures of gross profits from lawful gambling for payments for lawful  
62.4 purpose expenditures and allowable expenses may be transferred electronically from the  
62.5 organization's gambling account directly to bank accounts identified by the vendor if the  
62.6 organization's gambling account monthly bank statement specifically identifies the payee  
62.7 by name, the amount transferred, the account number of the account into which the funds  
62.8 were transferred, and the date of the transaction.

62.9 (g) Expenditures of gross profits from lawful gambling for payroll compensation  
62.10 to an employee's account and for the payment of local, state, and federal withholding  
62.11 taxes may be transferred electronically to and from the account of a payroll processing  
62.12 firm provided that the firm:

62.13 (1) is currently registered with and meets the criteria of the Department of Revenue  
62.14 as a third-party bulk filer under section 290.92, subdivision 30;

62.15 (2) is able to provide proof of a third-party audit and an annual report and statement  
62.16 of financial condition;

62.17 (3) is able to provide evidence of a fidelity bond; and

62.18 (4) can provide proof of having been in business as a third-party bulk filer for the  
62.19 most recent three years.

62.20 (h) Electronic payments of taxes, lawful purpose expenditures, and allowable  
62.21 expenses are permitted only if they have been authorized by the membership, the  
62.22 organization maintains supporting documentation, and the expenditures can be verified.

62.23 Sec. 37. Minnesota Statutes 2010, section 349.19, subdivision 5, is amended to read:

62.24 Subd. 5. **Reports.** (a) A licensed organization must report monthly to the  
62.25 ~~Department of Revenue~~ board in an electronic format prescribed by the board and to its  
62.26 membership ~~monthly, or quarterly in the case of a licensed organization which does not~~  
62.27 ~~report more than \$1,000 in gross receipts from lawful gambling in any calendar quarter,~~  
62.28 on its gross receipts, expenses, profits, and expenditure of profits from lawful gambling  
62.29 for each permitted premises. The organization must account for and report on each form  
62.30 of lawful gambling conducted. The ~~report~~ organization must include a reconciliation of  
62.31 the organization's profit carryover with its cash balance on hand. ~~If the organization~~  
62.32 ~~conducts both bingo and other forms of lawful gambling, the figures for both must be~~  
62.33 ~~reported separately.~~

62.34 (b) The organization must report ~~annually to its membership and annually file with~~  
62.35 ~~the board a financial summary report in a format prescribed by the board that identifies the~~

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63.1 ~~organization's receipts and use of lawful gambling proceeds, including:~~ monthly to the  
63.2 commissioner of revenue as required under section 297E.06.

63.3 ~~(1) gross receipts;~~

63.4 ~~(2) prizes paid;~~

63.5 ~~(3) allowable expenses;~~

63.6 ~~(4) lawful purpose expenditures, including annual totals for types of charitable~~  
63.7 ~~contributions and all taxes and fees as per section 349.12, subdivision 25, paragraph~~  
63.8 ~~(a), clauses (8) and (18);~~

63.9 ~~(5) the percentage of annual gross profits used for charitable contributions; and~~

63.10 ~~(6) the percentage of annual gross profits used for all taxes and fees as per section~~  
63.11 ~~349.12, subdivision 25, paragraph (a), clauses (8) and (18).~~

63.12 Sec. 38. Minnesota Statutes 2010, section 349.19, subdivision 10, is amended to read:

63.13 Subd. 10. **Pull-tab records.** (a) The board shall by rule require a licensed  
63.14 organization to require each winner of a paper pull-tab prize of \$50 or more to present  
63.15 identification in the form of a driver's license, Minnesota identification card, or other  
63.16 identification the board deems sufficient to allow the identification and tracking of the  
63.17 winner. The rule must require the organization to retain winning paper pull-tabs of \$50 or  
63.18 more, and the identification of the winner of the pull-tab, for 3-1/2 years.

63.19 (b) An organization must maintain separate cash banks for each deal of paper  
63.20 pull-tabs unless (1) the licensed organization uses a pull-tab dispensing device, or (2) the  
63.21 organization uses a cash register, of a type approved by the board, which records all  
63.22 sales of paper pull-tabs by separate deals.

63.23 (c) The board shall:

63.24 (1) by rule adopt minimum technical standards for cash registers that may be used  
63.25 by organizations, and shall approve for use by organizations any cash register that meets  
63.26 the standards; and

63.27 (2) before allowing an organization to use a cash register that commingles receipts  
63.28 from several different paper pull-tab games in play, adopt rules that define how cash  
63.29 registers may be used and that establish a procedure for organizations to reconcile all  
63.30 pull-tab games in play at the end of each month.

63.31 Sec. 39. Minnesota Statutes 2010, section 349.211, subdivision 1a, is amended to read:

63.32 Subd. 1a. **Linked bingo prizes.** Prizes for a linked bingo game shall be limited  
63.33 as follows:

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64.1 (1) ~~no organization may contribute more than \$300 per linked bingo game to a~~  
64.2 ~~linked bingo prize pool~~ for linked bingo games played without electronic bingo devices,  
64.3 an organization may not contribute to a linked bingo game prize pool more than \$300  
64.4 per linked bingo game per site;

64.5 (2) for linked bingo games played exclusively with electronic bingo devices, an  
64.6 organization may not contribute more than 85 percent of the gross receipts per permitted  
64.7 premises to a linked bingo game prize pool;

64.8 ~~(2)~~ (3) no organization may award more than \$200 for a linked bingo game  
64.9 consolation prize. For purposes of this subdivision, a linked bingo game consolation  
64.10 prize is a prize awarded by an organization after a prize from the linked bingo prize pool  
64.11 has been won; and

64.12 ~~(3)~~ (4) for a progressive linked bingo game, if no player declares a valid bingo  
64.13 within the for a progressive prize or prizes based on a predetermined amount of bingo  
64.14 numbers called and posted win determination, a portion of the prize is gross receipts  
64.15 may be carried over to another occasion game until the accumulated progressive prize  
64.16 is won. The portion of the prize that is not carried over must be awarded to the first  
64.17 player or players who declares a valid bingo as additional numbers are called. If a valid  
64.18 bingo is declared within the predetermined amount of bingo numbers called, the entire  
64.19 prize pool for that game is awarded to the winner. The annual limit for progressive bingo  
64.20 game prizes contained in subdivision 2 must be reduced by the amount an organization  
64.21 contributes to progressive linked bingo games during the same calendar year; and

64.22 (5) for linked bingo games played exclusively with electronic bingo devices, linked  
64.23 bingo prizes in excess of \$599 shall be paid by the linked bingo game provider to the  
64.24 player within three business days. Winners of linked bingo prizes in excess of \$599 will  
64.25 be given a receipt or claim voucher as proof of a win.

64.26 Sec. 40. **APPROPRIATION.**

64.27 (a) \$450,000 in fiscal year 2012 and \$779,000 in fiscal year 2013 are appropriated  
64.28 from the lawful gambling regulation account in the special revenue fund to the Gambling  
64.29 Control Board for operating expenses related to the regulatory oversight of lawful  
64.30 gambling for electronic pull-tabs and electronic linked bingo.

64.31 (b) One-half of one percent of the revenue deposited in the general fund under  
64.32 Minnesota Statutes, section 16A.965, subdivision 8, paragraph (a), is appropriated to  
64.33 the commissioner of human services for the compulsive gambling treatment program  
64.34 established under Minnesota Statutes, section 245.98. One-half of one percent of the  
64.35 revenue deposited in the general fund under Minnesota Statutes, section 16A.695,

65.1 subdivision 8, paragraph (a), is appropriated to the Gambling Control Board for a  
65.2 grant to the state affiliate recognized by the National Council on Problem Gambling to  
65.3 increase public awareness of problem gambling, education and training for individuals  
65.4 and organizations providing effective treatment services to problem gamblers and  
65.5 their families, and research relating to problem gambling. Money appropriated by this  
65.6 paragraph must supplement and must not replace existing state funding for these programs.

65.7 Sec. 41. **EFFECTIVE DATE.**

65.8 This article is effective the day following final enactment.

## 65.9 **ARTICLE 6**

### 65.10 **MISCELLANEOUS**

65.11 Section 1. Minnesota Statutes 2010, section 297A.71, is amended by adding a  
65.12 subdivision to read:

65.13 Subd. 44. **Building materials, capital projects.** Materials and supplies used or  
65.14 consumed in and equipment incorporated into the construction or improvement of a capital  
65.15 project funded partially or wholly under section 297A.9905 are exempt, provided that the  
65.16 project has a total construction cost of at least \$40,000,000 within a ...-month period.  
65.17 The tax on purchases exempt under this provision must be imposed and collected as if  
65.18 the rate under section 297A.62, subdivision 1, applied and then refunded in the manner  
65.19 provided in section 297A.75.

65.20 **EFFECTIVE DATE.** This section is effective for sales and purchases made after  
65.21 June 30, 2013.

65.22 Sec. 2. **USE OF THE STADIUM.**

65.23 Subdivision 1. **Amateur sports use.** The lessee of the stadium must make the  
65.24 facilities of the stadium available to the Minnesota Amateur Sports Commission up to  
65.25 ten days each year on terms satisfactory to the commission for amateur sports activities  
65.26 consistent with Minnesota Statutes, chapter 240A, each year during the time the bonds  
65.27 issued pursuant to this act are outstanding. The commission must negotiate in good faith  
65.28 and may be required to pay no more than actual out-of-pocket expenses for the time  
65.29 it uses the stadium.

65.30 Subd. 2. **High school league.** The lessee of the stadium must make the facilities of  
65.31 the stadium available for use by the Minnesota State High School League for at least seven  
65.32 days each year for high school soccer and football tournaments. The lessee of the stadium

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- 66.1 must provide, and may not charge the league a fee for, this use, including security, ticket
- 66.2 takers, custodial or cleaning services, or other similar services in connection with this use.

APPENDIX  
Article locations in 12-5984

ARTICLE 1	MINNESOTA STADIUM AUTHORITY .....	Page.Ln 1.24
ARTICLE 2	STATE STADIUM FUNDING .....	Page.Ln 28.8
ARTICLE 3	CONFORMING CHANGES .....	Page.Ln 34.25
ARTICLE 4	SITE REVENUES .....	Page.Ln 39.3
ARTICLE 5	LAWFUL GAMBLING .....	Page.Ln 42.9
ARTICLE 6	MISCELLANEOUS .....	Page.Ln 65.9

**473.551 DEFINITIONS.**

Subdivision 1. **Terms.** For the purposes of sections 473.551 to 473.599, the following terms shall have the meanings given in this section.

Subd. 2. **Cities.** "Cities" means the cities of Minneapolis, Bloomington, and Richfield.

Subd. 3. **Commission.** "Commission" means the Metropolitan Sports Facilities Commission.

Subd. 4. **Metrodome debt service.** "Metrodome debt service" means the principal and interest due each year on all bonds or revenue anticipation certificates issued by the council under section 473.581.

Subd. 5. **Metropolitan sports area.** "Metropolitan sports area" means the real estate in the city of Bloomington described in the ownership and operations agreement, and all buildings, structures, improvements and equipment thereon including the met center, owned by the cities on May 17, 1977, the date of enactment of sections 473.551 to 473.595, and since transferred to the commission pursuant to sections 473.551 to 473.595.

Subd. 6. **Metropolitan Sports Area Commission.** "Metropolitan Sports Area Commission" means that commission established by an ownership and operations agreement made and entered into as of August 13, 1954, validated by Laws 1955, Chapter 445, to which the cities were parties on May 17, 1977.

Subd. 7. **Multipurpose sports facility.** "Multipurpose sports facility" means a single unit sports facility suitable for university or major league professional baseball, football, and soccer.

Subd. 8. **Sports facility or sports facilities.** "Sports facility" or "sports facilities" means real or personal property comprising a stadium, stadiums, or arenas suitable for university or major league professional baseball, for university or major league professional football and soccer, or for both, or for university or major league hockey or basketball, or for both, together with adjacent parking facilities, including on the effective date of Laws 1994, chapter 648, the metrodome, the met center, and, upon acquisition by the commission, the basketball and hockey arena.

Subd. 9. **Metrodome.** "Metrodome" means the Hubert H. Humphrey Metrodome located in the city of Minneapolis constructed and owned by the commission and financed by the bonds of the council issued pursuant to sections 473.551 to 473.595, including all real estate, buildings, improvements, and equipment in and on them.

Subd. 10. **Basketball and hockey arena.** "Basketball and hockey arena" means the indoor arena building currently occupied and utilized for the playing of university or major league basketball, hockey, and other purposes located in the city of Minneapolis, including all improvements and equipment in the arena and the leasehold or other interest in the arena land appurtenant to the arena, but excluding the health club.

Subd. 11. **Health club.** "Health club" means that separate portion of the basketball and hockey arena building occupied and utilized by a private sports and health club on the effective date of Laws 1994, chapter 648, the improvements and equipment in and on it, and the leasehold or other interest in the arena land appurtenant to it.

Subd. 12. **Met Center.** "Met Center" means the real estate in the city of Bloomington presently owned by the commission, formerly utilized for major league hockey, and all buildings, improvements, and equipment in and on it.

Subd. 13. **Development agreement.** "Development agreement" means the second amended and restated development agreement among the Minneapolis Community Development Agency, Northwest Racquet, Swim & Health Clubs, Inc., and the city of Minneapolis dated August 5, 1988, and as amended before the effective date of Laws 1994, chapter 648.

Subd. 14. **Ground lease.** "Ground lease" means the ground lease of the arena land between the Minneapolis Community Development Agency and Northwest Racquet, Swim & Health Clubs, Inc., dated August 5, 1988, and as amended before the effective date of Laws 1994, chapter 648.

Subd. 15. **Guarantors.** "Guarantors" means the individuals who have guaranteed to the Minneapolis Community Development Agency and the city of Minneapolis the performance of the development agreement, ground lease, and certain other obligations pursuant to written guaranty dated February 17, 1988.

Subd. 16. **Arena land.** "Arena land" means the real estate upon which the basketball and hockey arena and health club have been constructed and any adjacent parcel or parcels which are owned by the city of Minneapolis and subject to the development agreement or the ground lease and all rights, privileges, and easements appertaining to it.

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Subd. 17. **Basketball and hockey arena debt service.** "Basketball and hockey arena debt service" means the principal and interest due each year on all bonds or revenue anticipation certificates issued by the council under section 473.599.

**473.552 LEGISLATIVE POLICY; PURPOSE.**

The legislature finds that

(a) the population in the metropolitan area has a need for sports facilities and that this need cannot be met adequately by the activities of individual municipalities, by agreements among municipalities, or by the private efforts of the people in the metropolitan area,

(b) the commission's ownership and operation of the metrodome and met center has met in part the foregoing need and has promoted the economic and social interests of the metropolitan area, of the state, and of the public, and

(c) the commission's acquisition of the basketball and hockey arena on the terms and conditions provided in sections 473.598 and 473.599 shall similarly and more fully meet the foregoing needs and promote these interests.

It is therefore necessary for the public health, safety and general welfare to establish a procedure for the acquisition and betterment of sports facilities and to create a Metropolitan Sports Facilities Commission.

**473.553 COMMISSION; MEMBERSHIP; ADMINISTRATION.**

Subdivision 1. **General.** The Metropolitan Sports Facilities Commission is established and shall be organized, structured, and administered as provided in this section.

Subd. 2. **Membership.** The commission shall consist of six members, appointed by the city council of the city in which the stadium is located plus a chair appointed as provided in subdivision 3.

Subd. 3. **Chair.** The chair shall be appointed by the governor as the ninth voting member and shall meet all of the qualifications of a member, except the chair need only reside outside the city of Minneapolis. The chair shall preside at all meetings of the commission, if present, and shall perform all other duties and functions assigned by the commission or by law. The commission may appoint from among its members a vice-chair to act for the chair during temporary absence or disability.

Subd. 4. **Qualifications.** A member shall not during a term of office hold the office of Metropolitan Council member or be a member of another metropolitan agency or hold any judicial office or office of state government. None of the members appointed by the city council of the city in which the stadium is located shall be an elected public official of that city or of another political subdivision any part of whose territory is shared with that city. Each member shall qualify by taking and subscribing the oath of office prescribed by the Minnesota Constitution, article V, section 6. The oath, duly certified by the official administering it, shall be filed with the chair of the Metropolitan Council.

Subd. 5. **Terms.** The terms of three members shall end the first Monday in January in the year ending in the numeral "5." The terms of the other members and the chair shall end the first Monday in January in the year ending in the numeral "7." The term of each member and the chair shall be four years. The terms shall continue until a successor is appointed and qualified. Members may be removed only for cause.

Subd. 6. **Vacancies.** A vacancy shall be filled by the appointing authority in the same manner in which the original appointment was made.

Subd. 7. **Compensation.** Each commission member shall be paid \$50 for each day when the member attends one or more meetings or provides other services, as authorized by the commission, and shall be reimbursed for all actual and necessary expenses incurred in the performance of duties. The chair of the Metropolitan Sports Facilities Commission shall receive, unless otherwise provided by other law, a salary in an amount fixed by the members of the commission and shall be reimbursed for reasonable expenses to the same extent as a member. The annual budget of each commission shall provide as a separate account anticipated expenditures for per diem, travel, and associated expenses for the chair and members, and compensation or reimbursement shall be made to the chair and members only when budgeted.

Subd. 8. **Regular and special meetings.** The commission shall meet regularly at least once each month, at such time and place as the commission shall by resolution designate. Special meetings may be held at any time upon the call of the chair or a majority of the members, upon written notice to each member at least three days prior to the meeting, or upon such other notice as the commission may by resolution provide. Unless otherwise provided, any action within the

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authority of the commission may be taken by the affirmative vote of a majority of the members. A majority of all of the members of the commission shall constitute a quorum, but a lesser number may meet and adjourn from time to time and compel the attendance of absent members.

Subd. 9. **Personnel code; merit system.** (a) The council shall by resolution adopt guidelines for a personnel code relating to the employees of the commission, except that nothing in Laws 1974, chapter 422, shall impair the rights of the commission or employee under sections 473.405 and 473.415. After adoption of the guidelines, the commission shall by resolution adopt a personnel code in general conformance therewith. The code shall include a job classification plan, procedures for employment and promotion of personnel based on merit, procedures for the demotion, suspension, or discharge of employees, procedures for hearing grievances, procedures for salary administration, and such other provisions as the council deems appropriate. In addition, the code shall provide for the development by the commission of affirmative action plans, as provided in section 473.143. The executive director of the commission shall administer the code, and the commission shall not take any action inconsistent with the personnel code.

(b) When a commission employee has been demoted, suspended, or dismissed by the executive director, the employee may, within 30 days after such action becomes effective, file with the commission a written request for a hearing showing the position from which the employee was dismissed, the date of dismissal, and the reason for requesting the hearing, full name and present mailing address. Upon receipt of a request for a hearing the commission shall appoint three of its members to act as an appeal committee and preside at a hearing on the action of the executive director. The hearing shall be held within 30 days after the request is received by the commission, upon written notice mailed or delivered to the employee at the employee's present mailing address, not less than seven days before the hearing. The appeal committee shall approve or disapprove the action of the executive director, and in the case of approval the action of the executive director shall be final. In the case of disapproval the appeal committee may reinstate the employee under such conditions as it deems proper, and may order the payment to the employee of compensation lost as a result of the demotion, suspension or dismissal.

Subd. 10. **Secretary and treasurer.** At its first regular meeting each year the commission shall appoint a secretary and a treasurer or, in the alternative, a secretary-treasurer. The secretary and treasurer, or secretary-treasurer, may, but need not be, members of the commission, and shall hold office at the pleasure of the commission, subject to the terms of any contract of employment which the commission may enter into with the secretary or treasurer. The secretary shall record the minutes of all meetings of the commission and shall be the custodian of all books and records of the commission except such as the commission shall entrust to the custody of a designated employee. The treasurer shall be the custodian of all moneys received by the commission except such as the commission shall entrust to the custody of a designated employee. The commission may appoint a deputy to perform any and all functions of either the secretary or the treasurer.

Subd. 11. **Executive director.** The chair of the commission shall, subject to the approval of the commission, appoint an executive director who shall be chosen solely on the basis of training, experience, and other qualifications, and who shall serve at the pleasure of the commission. The executive director shall attend meetings of the commission, but shall not vote, and shall have the following powers and duties:

(a) See that all resolutions, rules, or orders of the commission are enforced.

(b) Appoint and remove, subject to the provisions of the personnel code adopted pursuant to subdivision 9, upon the basis of merit and fitness, all subordinate officers and regular employees of the commission.

(c) Present to the commission plans, studies, and reports prepared for commission purposes and recommend to the commission for adoption such measures as the executive director deems necessary to enforce or carry out the powers and duties of the commission, or to the efficient administration of the affairs of the commission.

(d) Keep the commission fully advised as to its financial condition, and prepare and submit to the commission its annual budget and such other financial information as it may request.

(e) Recommend to the commission for adoption such rules as the executive director deems necessary for the efficient operation of the commission's functions.

(f) Perform such other duties as may be prescribed by the commission.

Subd. 12. **Commission operating procedures.** (a) The commission shall adopt resolutions and bylaws, an administrative code establishing procedures for commission action, keeping records, approving claims, authorizing and making disbursements, authorizing contracts, safekeeping funds and audit of all financial operations of the commission.

(b) The commission and the council may enter into contracts with each other and with other commissions and governmental units for the joint exercise of powers in the manner provided by section 471.59; provided that the commission shall not enter into any contract with the council

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which would assign any operations authority, responsibility or function, other than planning or making studies, from the commission to the council.

Subd. 13. **Relocation payment standards.** In all acquisitions the commission shall provide as a cost of acquisition the relocation assistance, services, payments and benefits required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 84 Stat. 1894 (1971), United States Code, title 42, section 4601, et seq.

**473.556 POWERS OF COMMISSION.**

Subdivision 1. **General.** The commission shall have all powers necessary or convenient to discharge the duties imposed by law, including but not limited to those specified in this section.

Subd. 2. **Actions.** The commission may sue and be sued, and shall be a public body within the meaning of chapter 562.

Subd. 3. **Acquisition of property.** The commission may acquire by lease, purchase, gift, or devise all necessary right, title, and interest in and to real or personal property deemed necessary to the purposes contemplated by sections 473.551 to 473.599 within the limits of the metropolitan area.

Subd. 4. **Exemption of property.** Any real or personal property acquired, owned, leased, controlled, used, or occupied by the commission for any of the purposes of sections 473.551 to 473.599 is declared to be acquired, owned, leased, controlled, used and occupied for public, governmental, and municipal purposes, and shall be exempt from ad valorem taxation by the state or any political subdivision of the state, provided that such properties shall be subject to special assessments levied by a political subdivision for a local improvement in amounts proportionate to and not exceeding the special benefit received by the properties from the improvement. No possible use of any such properties in any manner different from their use under sections 473.551 to 473.599 at the time shall be considered in determining the special benefit received by the properties. All assessments shall be subject to final confirmation by the council, whose determination of the benefits shall be conclusive upon the political subdivision levying the assessment. Notwithstanding the provisions of section 272.01, subdivision 2, or 273.19, real or personal property leased by the commission to another person for uses related to the purposes of sections 473.551 to 473.599, including the operation of the metrodome, met center, and, if acquired by the commission, the basketball and hockey arena shall be exempt from taxation regardless of the length of the lease. The provisions of this subdivision, insofar as they require exemption or special treatment, shall not apply to any real property comprising the met center which is leased by the commission for residential, business, or commercial development or other purposes different from those contemplated in sections 473.551 to 473.599.

Subd. 5. **Facility operation.** The commission may equip, improve, operate, manage, maintain, and control the Metrodome, Met Center, basketball and hockey arena and sports facilities constructed, remodeled, or acquired under the provisions of sections 473.551 to 473.599.

Subd. 6. **Disposition of property.** (a) The commission may sell, lease, or otherwise dispose of any real or personal property acquired by it which is no longer required for accomplishment of its purposes. The property shall be sold in accordance with the procedures provided by section 469.065, insofar as practical and consistent with sections 473.551 to 473.599.

(b) The proceeds from the sale of any real property at the metropolitan sports area shall be paid to the council and used for debt service or retirement.

Subd. 7. **Contracts.** The commission may contract for materials, supplies, and equipment in accordance with section 471.345, except that the commission may employ persons, firms, or corporations to perform one or more or all of the functions of architect, engineer, construction manager, or contractor for both design and construction, with respect to all or any part of a project to build or remodel sports facilities. Contractors shall be selected through the process of public bidding, provided that it shall be permissible for the commission to narrow the listing of eligible bidders to those which the commission determines to possess sufficient expertise to perform the intended functions. Any construction manager or contractor shall certify, before the contracts are finally signed, a construction price and completion date to the commission and shall post a bond in an amount at least equal to 100 percent of the certified price, to cover any costs which may be incurred over and above the certified price, including but not limited to costs incurred by the commission or loss of revenues resulting from incomplete construction on the completion date. The commission shall secure surety bonds as required in section 574.26, securing payment of just claims in connection with all public work undertaken by it. Persons entitled to the protection of the bonds may enforce them as provided in sections 574.28 to 574.32, and shall not be entitled to a lien on any property of the commission under the provisions of sections 514.01 to 514.16.

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Subd. 8. **Employees; contracts for services.** The commission may employ persons and contract for services necessary to carry out its functions. The commission may employ on such terms as it deems advisable persons or firms for the purpose of providing traffic officers to direct traffic on property under the control of the commission and on the city streets in the general area of the property controlled by the commission. The traffic officers shall not be peace officers and shall not have authority to make arrests for violations of traffic rules.

Subd. 9. **Gifts and grants.** The commission may accept gifts of money, property, or services, may apply for and accept grants or loans of money or other property from the United States, the state, any subdivision of the state, or any person for any of its purposes, may enter into any agreement required in connection therewith, and may hold, use, and dispose of such money, property, or services in accordance with the terms of the gift, grant, loan or agreement relating thereto. Except for the acquisition, clearance, relocation, and legal costs referred to in section 473.581, subdivision 3, clauses (d) and (e), the commission shall not accept gifts, grants, or loans valued in excess of \$2,000,000 without the prior approval of the council. In evaluating proposed gifts, grants, loans, and agreements required in connection therewith, the council shall examine the possible short-range and long-range impact on commission revenues and commission operating expenditures.

Subd. 10. **Research.** The commission may conduct research studies and programs, collect and analyze data, prepare reports, maps, charts, and tables, and conduct all necessary hearings and investigations in connection with its functions.

Subd. 11. **Agreements with university.** The commission and the Board of Regents of the University of Minnesota may enter into agreements and do all other acts necessary to further the functions prescribed in sections 473.551 to 473.599.

Subd. 12. **Use agreements.** The commission may lease, license, or enter into agreements and may fix, alter, charge, and collect rentals, fees, and charges to all persons for the use, occupation, and availability of part or all of any premises, property, or facilities under its ownership, operation, or control for purposes that will provide athletic, educational, cultural, commercial or other entertainment, instruction, or activity for the citizens of the metropolitan area. Any such use agreement may provide that the other contracting party shall have exclusive use of the premises at the times agreed upon.

Subd. 13. **Insurance.** The commission may require any employee to obtain and file with it an individual bond or fidelity insurance policy. It may procure insurance in the amounts it deems necessary against liability of the commission or its officers and employees for personal injury or death and property damage or destruction, with the force and effect stated in chapter 466, and against risks of damage to or destruction of any of its facilities, equipment, or other property.

Subd. 14. **Small business contracts.** In exercising its powers to contract for the purchase of services, materials, supplies, and equipment, pursuant to subdivisions 5, 7, 8 and 10, the commission shall designate and set aside each fiscal year for awarding to small businesses approximately ten percent of the value of anticipated contracts and subcontracts of that kind for that year, in the manner required of the commissioner of administration for state procurement contracts pursuant to sections 16C.16 to 16C.19. The commission shall follow the rules promulgated by the commissioner of administration pursuant to section 16C.19, and shall submit reports of the kinds required of the commissioners of administration and economic development by section 16C.18.

Subd. 16. **Agreements with Amateur Sports Commission.** (a) The commission and the Minnesota Amateur Sports Commission created pursuant to chapter 240A may enter into long-term leases, use or other agreements for the conduct of amateur sports activities at the basketball and hockey arena, and the net revenues from the activities may be pledged for basketball and hockey arena debt service. The commission, with the advice of the Minnesota Amateur Sports Commission, shall establish standards to provide reasonable assurances to other public bodies owning or operating an entertainment or sports complex or indoor sports arena in the metropolitan area that the agreements between the commission and the Minnesota Amateur Sports Commission with respect to the basketball and hockey arena shall not remove the conduct of amateur sports activities currently and traditionally held at such facilities.

(b) Any long-term lease, use, or other agreement entered into by the Minnesota Amateur Sports Commission with the commission under paragraph (a) must also:

(1) provide for a release of the Minnesota Amateur Sports Commission from its commitment under the agreement if the legislature repeals or amends a standing appropriation or otherwise does not appropriate sufficient money to fund the lease or agreement to the Minnesota Amateur Sports Commission; and

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(2) provide for a release of the Minnesota Amateur Sports Commission from its commitment under the agreement and permit it to agree to a per event use fee when the bonds issued for the metrodome under section 473.581 have been retired.

(c) No long-term lease, use, or other agreement entered into by the Minnesota Amateur Sports Commission under paragraph (a) may commit the amateur sports commission to paying more than \$750,000 per year.

(d) Any long-term lease, use, or other agreement entered into under paragraph (a) shall provide that the Minnesota Amateur Sports Commission shall be entitled to use of the basketball and hockey arena for 50 event days per year. In addition, any long-term lease, use, or other agreement entered into under paragraph (a) shall permit the Minnesota Amateur Sports Commission to allow another person or organization to use one or more of its days.

**Subd. 17. Creating a condominium.** The commission may, by itself or together with the Minneapolis Community Development Agency and any other person, as to real or personal property comprising or appurtenant or ancillary to the basketball and hockey arena and the health club, act as a declarant and establish a condominium or leasehold condominium under chapter 515A or a common interest community or leasehold common interest community under chapter 515B, and may grant, establish, create, or join in other or related easements, agreements and similar benefits and burdens that the commission may deem necessary or appropriate, and exercise any and all rights and privileges and assume obligations under them as a declarant, unit owner or otherwise, insofar as practical and consistent with sections 473.551 to 473.599. The commission may be a member of an association and the chair, any commissioners and any officers and employees of the commission may serve on the board of an association under chapter 515A or 515B.

#### **473.561 EXEMPTION FROM COUNCIL REVIEW.**

The acquisition and betterment of sports facilities by the commission shall be conducted pursuant to sections 473.551 to 473.599 and shall not be affected by the provisions of sections 473.165 and 473.173.

#### **473.564 METROPOLITAN SPORTS AREA.**

**Subd. 2. Assumption of obligations.** Nothing herein shall be construed as imposing upon the council or commission an obligation to compensate the cities or the metropolitan sports area commission for all or any part of the metropolitan sports area or to continue to operate and maintain the metropolitan sports area facilities taken over by the commission.

**Subd. 3. Employees.** Upon transfer of ownership all persons then employed by the metropolitan sports area commission shall be transferred to the metropolitan sports facilities commission without loss of right or privilege. Nothing in this section shall be construed to give any such person the right or privilege to continue in the same level or classification of employment previously held. The metropolitan sports facilities commission may assign any such person to an employment level and classification which it deems appropriate and desirable in accordance with its personnel code.

#### **473.572 REVISED FINAL DETERMINATION.**

**Subdivision 1. Determinations before bonds.** The council shall make all determinations required by sections 473.581, subdivision 3, and 473.599 before it authorizes the issuance of bonds.

**Subd. 2. Self-supporting effort.** It is the intent of the legislature that the commission shall, to the maximum extent possible consistent with the provisions of section 473.581, subdivision 3, impose rates, rentals and other charges in the operation of the metrodome which will make the metrodome self supporting so that the taxes imposed under section 473.592 for the metrodome will be at the lowest possible rate consistent with the obligations of the city of Minneapolis as provided in sections 473.551 to 473.595.

#### **473.581 DEBT OBLIGATIONS.**

**Subdivision 1. Bonds.** The council may by resolution authorize the sale and issuance of its bonds for any or all of the following purposes:

(a) To provide funds for the acquisition or betterment of the Metrodome by the commission pursuant to sections 473.551 to 473.595;

(b) To refund bonds issued hereunder ; and

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(c) To fund judgments entered by any court against the commission or against the council in matters relating to the commission's functions related to the Metrodome and the Met Center.

Subd. 2. **Procedure.** The bonds shall be sold, issued, and secured in the manner provided in chapter 475 for bonds payable solely from revenues, except as otherwise provided in sections 473.551 to 473.595, and the council shall have the same powers and duties as a municipality and its governing body in issuing bonds under that chapter. The bonds may be sold at any price and at public or private sale as determined by the council. They shall be payable solely from tax and other revenues referred to in sections 473.551 to 473.595, excepting only the admissions tax and surcharge related to the basketball and hockey arena provided in section 473.595, subdivision 1a, the taxes for the basketball and hockey arena provided in section 473.592, and other revenues attributable to the basketball and hockey arena. The bonds shall not be a general obligation or debt of the council or of the commission, and shall not be included in the net debt of any city, county, or other subdivision of the state for the purpose of any net debt limitation, provided that nothing herein shall affect the obligation of the city of Minneapolis to levy a tax pursuant to agreements made under the provisions of section 473.592. No election shall be required. The principal amount shall not be limited except as provided in subdivision 3.

Subd. 3. **Limitations.** The principal amount of the bonds issued pursuant to subdivision 1, clause (a), shall not exceed the amounts hereinafter authorized. If the commission's proposal and the construction contracts referred to in clause (g) of this subdivision provide for the construction of a covered multipurpose sports facility, the total cost of constructing the facility under the construction contracts, not including costs paid from funds provided by others, and the principal amount of bonds issued pursuant to subdivision 1, clause (a), shall be limited to \$55,000,000. If the commission's proposal and the construction contracts do not provide for the construction of a cover on a proposed multipurpose sports facility and the commission does not otherwise contract for the construction or acquisition of a cover for the sports facility, the principal amount shall be limited to \$42,000,000. If the commission's proposal and the construction contracts provide for the construction of a new sports facility for football and soccer and for remodeling the existing metropolitan stadium for baseball, the principal amount shall be limited to \$37,500,000. If the commission's proposal and the construction contracts provide for the reconstruction and remodeling of the existing Metropolitan Stadium as an uncovered multipurpose sports facility, the principal amount shall be limited to \$25,000,000. The bonds issued pursuant to subdivision 1, clause (a), shall bear an average annual rate of interest, including discount, not in excess of 7-1/2 percent. The proceeds of the bonds issued pursuant to subdivision 1, clause (a), shall be used only for the acquisition and betterment of sports facilities suitable for baseball, football and soccer, with a seating capacity for football and soccer of approximately 65,000 persons. The council shall issue its bonds and construction of sports facilities may commence when the council has made the following determinations:

(a) The commission has executed agreements with major league professional baseball and football organizations to use the Metrodome for all scheduled regular season home games and play-off home games and, in the case of the football organization, for at least one-half of its exhibition games played each season. The agreements shall be for a period of not more than 30 years nor less than the term of the longest term bonds that in the council's judgment it may find it necessary to issue to finance the acquisition and betterment of the Metrodome. The agreements may contain provisions negotiated between the organizations and the commission which provide for termination upon conditions related and limited to the bankruptcy, insolvency, or financial capability of the organization. The agreements shall provide that, in the event of breach of the agreements, the defaulting organization shall pay damages annually to the commission. The annual payment shall be in an amount equal to the annual average of all revenue derived by the commission from attendance at events and activities of the defaulting organization during the years prior to default, provided that the damages shall not exceed in any year an amount sufficient, with other revenues of the commission but excluding proceeds of the taxes under section 473.592, to pay all expenses of operation, maintenance, administration, and debt service for the use of the Metrodome by the defaulting organization during the same year. The damages shall be payable during the period from the occurrence of the default to the date on which another major league professional baseball or football organization, replacing the defaulting organization, enters into a use agreement with the commission for not less than the then remaining term of the original agreement. The agreements with the teams shall provide that no closed circuit or pay television broadcasting of events in the Metrodome may be allowed without the approval of the commission. The agreements shall include provisions protecting the commission and the council in the event of change in ownership of the professional teams.

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(b) The commission has executed agreements with professional baseball and football major leagues which guarantee the continuance of franchises in the metropolitan area for the period of the agreements referred to in clause (a).

(c) The proceeds of bonds provided for in this subdivision will be sufficient, together with other capital funds that may be available to the commission for expenditures on the Metrodome, to construct or remodel and to furnish the Metrodome proposed by the commission, including the appropriate professional fees and charges but excluding, except as otherwise provided in this subdivision, the acquisition, clearance, relocation, and legal costs referred to in clauses (d) and (e).

(d) The commission has acquired, without cost to the commission or the council except as provided in this subdivision, title to all real property including all easements and other appurtenances needed for the construction and operation of the Metrodome or has received a grant of funds or has entered into an agreement or agreements sufficient in the judgment of the council to assure the receipt of funds, at the time and in the amount required, to make any payment upon which the commission's acquisition of title and possession of the real property is conditioned.

(e) The commission has received a grant of funds or entered into an agreement or agreements sufficient in the judgment of the council to assure the receipt of funds, at the time and in the amount required, to pay all costs, except as provided in this subdivision, of clearing the real property needed for the construction and operation of the Metrodome of all buildings, railroad tracks and other structures, including without limitation all relocation costs, all utility relocation costs, and all legal costs.

(f) The commission has executed agreements with appropriate labor organizations and construction contractors which provide that no labor strike or management lockout will halt, delay or impede construction.

(g) The commission has executed agreements which will provide for the construction of the Metrodome for a certified construction price and completion date and which include performance bonds in an amount at least equal to 100 percent of the certified price to cover any costs which may be incurred over and above the certified price, including but not limited to costs incurred by the commission or loss of revenues resulting from incomplete construction on the completion date.

(h) The environmental impact statement for the Metrodome has been accepted by the Environmental Quality Board, and the Pollution Control Agency and any other department, agency, or unit of government have taken the actions necessary to permit the construction of the Metrodome.

(i) At least 50 percent of the private boxes provided for in the commission's proposal for the Metrodome are sold or leased for at least five years.

(j) The anticipated revenue from the operation of the Metrodome plus any additional available revenue of the commission and the revenue from the taxes under section 473.592 will be an amount sufficient to pay when due all debt service plus all administration, operating and maintenance expense.

(k) The commission has studied and considered the needs of the University of Minnesota for athletic facilities for a prospective 20 year period.

(l) The city of Minneapolis has entered into an agreement as contemplated in section 473.592 as security for the Metrodome debt service.

(m) The commission has entered into an agreement or agreements with a purchaser or purchasers of tickets of admission for a period of not less than 20 years which will assure that whenever more than 90 and less than 100 percent of the tickets of admission for seats at any professional football game, which were available for purchase by the general public 120 hours or more before the scheduled beginning time of the game either at the Metrodome where the game is to be played or at the box office closest to the Metrodome, have been purchased 72 hours or more before the beginning time of the game, then all of such tickets which remain unsold will be purchased in sufficient time to permit the telecast to areas within the state which otherwise would not receive the telecast because of the terms of an agreement in which the professional football league has sold or otherwise transferred all or part of the rights of the league's member organizations in the sponsored telecasting of games of the organizations. The party or parties agreeing to the purchase of such unsold tickets shall be obligated for a period of at least 20 years in an amount determined by the council to be sufficient to assure the purchase of all such unsold tickets.

(n) The council has entered into an agreement with the brokerage firm or brokerage firms to be used in connection with the issuance and sale of the bonds guaranteeing that fees and charges payable to the brokerage firm or firms in connection therewith, including any underwriting discounts, shall not exceed fees and charges customarily payable in connection with the issuance and sale of bonds secured by the pledge of the full faith and credit of the city of Minneapolis.

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The validity of any bonds issued under subdivision 1, clause (a), and the obligations of the council and commission related thereto, shall not be conditioned upon or impaired by the council's determinations made pursuant to this subdivision. For purposes of issuing the bonds the determinations made by the council shall be deemed conclusive, and the council shall be and remain obligated for the security and payment of the bonds irrespective of determinations which may be erroneous, inaccurate, or otherwise mistaken.

Subd. 4. **Security.** To the extent and in the manner provided in sections 473.592 and 473.595, the taxes described in section 473.592 for the Metrodome, the tax and other revenues of the commission described in section 473.595, subdivision 1, and any other revenues of the commission attributable to the Metrodome shall be and remain pledged and appropriated for the payment of all necessary and reasonable expenses of the operation, administration, maintenance, and debt service of the Metrodome until all bonds and certificates issued pursuant to this section are fully paid or discharged in accordance with law. Bonds issued pursuant to this section may be secured by a bond resolution, or by a trust indenture entered into by the council with a corporate trustee within or outside the state, which shall define the tax and other Metrodome and Met Center revenues pledged for the payment and security of the bonds. The pledge shall be a valid charge on the tax and other revenues referred to in sections 473.551 to 473.595 (excepting only the admissions tax and surcharge related to the basketball and hockey arena provided in section 473.595, subdivision 1a, taxes described in section 473.592 for the basketball and hockey arena, and other revenues attributable to the basketball and hockey arena) from the date when bonds are first issued or secured under the resolution or indenture and shall secure the payment of principal and interest and redemption premiums when due and the maintenance at all times of a reserve securing such payments. No mortgage of or security interest in any tangible real or personal property shall be granted to the bondholders or the trustee, but they shall have a valid security interest in all tax and other revenues received and accounts receivable by the commission or council hereunder, as against the claims of all other persons in tort, contract, or otherwise, irrespective of whether such parties have notice thereof, and without possession or filing as provided in the Uniform Commercial Code or any other law. In the bond resolution or trust indenture the council may make such covenants, which shall be binding upon the commission, as are determined to be usual and reasonably necessary for the protection of the bondholders. No pledge, mortgage, covenant, or agreement securing bonds may be impaired, revoked, or amended by law or by action of the council, commission, or city, except in accordance with the terms of the resolution or indenture under which the bonds are issued, until the obligations of the council thereunder are fully discharged.

Subd. 5. **Revenue anticipation certificates.** At any time or times after approval by the council and final adoption by the commission of an annual budget of the commission for operation, administration, and maintenance of the Metrodome, and in anticipation of the proceeds from the taxes under section 473.592 for the Metrodome and the revenues of the commission provided for in the budget, but subject to any limitation or prohibition in a bond resolution or indenture, the council may authorize the issuance, negotiation, and sale, in such form and manner and upon such terms as it may determine, of revenue anticipation certificates. The principal amount of the certificates outstanding shall at no time exceed 25 percent of the total amount of the tax and other revenues anticipated. The certificates shall mature not later than three months after the close of the budget year. Prior to the approval and final adoption of the first annual budget of the commission, the council may authorize up to \$300,000 in revenue anticipation certificates under this subdivision. So much of the anticipated tax and other revenues as may be needed for the payment of the certificates and interest thereon shall be paid into a special debt service fund established for the certificates in the council's financial records. If for any reason the anticipated tax and other revenues are insufficient, the certificates and interest shall be paid from the first tax and other revenues received, subject to any limitation or prohibition in a bond resolution or indenture. The proceeds of the certificates may be used for any purpose for which the anticipated revenues or taxes may be used or for any purpose for which bond proceeds under subdivision 1 may be used, provided that the proceeds of certificates issued after May 26, 1979, shall not be used to pay capital costs of the Metrodome constructed or remodeled pursuant to sections 473.551 to 473.595.

#### **473.592 TAX REVENUES.**

Subdivision 1. **Local sales tax.** The city of Minneapolis may enter into agreements with the Metropolitan Council and the commission which requires the municipality to impose a sales tax, supplemental to the general sales tax imposed in chapter 297A, for the purposes and in accordance with the requirements specified in sections 473.551 to 473.599. The tax may be imposed:

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(a) on the gross receipts from all retail on-sales of intoxicating liquor and fermented malt beverages when sold at licensed on-sale liquor establishments and municipal liquor stores located within the municipality,

(b) notwithstanding any limitations of Laws 1986, chapter 396, section 5, clause (2), on the gross receipts from the furnishing for consideration of lodging for a period of less than 30 days at a hotel, motel, rooming house, tourist court, or trailer camp located within the municipality,

(c) on the gross receipts on all sales of food primarily for consumption on or off the premises by restaurants and places of refreshment as defined by resolution of the city, or

(d) on any one or combination of the foregoing.

A tax under this subdivision shall be imposed only within a downtown taxing area to be determined by the council.

The agreement or agreements between the city, the Metropolitan Council, and the commission shall require the municipality to impose the tax or taxes at whatever rate or rates may be necessary to produce revenues which are determined by the council from year to year to be required, together with the revenues available to the commission, to pay when due all debt service on bonds and revenue anticipation certificates issued under section 473.581, all debt service on bonds and revenue anticipation certificates issued under section 473.599, and all expenses of operation, administration, and maintenance of the Metrodome and the basketball and hockey arena. When it is determined that a tax must be imposed under this subdivision after the effective date of Laws 1994, chapter 648, there shall be added to the rate of the tax imposed for the purposes described in the previous sentence a tax at a rate of 0.25 percent for use by the city to fund recreational facilities and programs in the city's neighborhoods for children and youth through the Minneapolis Park and Recreation Board. The agreements shall provide for the suspension, reimposition, reduction, or increase in tax collections upon determination by the Metropolitan Council that such actions are appropriate or necessary for the purposes for which the tax is imposed, provided that the balance in each of the Metrodome debt service and the basketball and hockey arena debt service fund or funds, including any reserve for debt service, shall be maintained at least at an amount sufficient to pay the principal and interest on bonds which will become due within the next succeeding one year period and, except as otherwise provided by agreement, shall not be maintained at an amount greater than that required to pay principal and interest on bonds which will become due within the next succeeding two-year period. Once the tax is imposed by the city, the tax imposed for the benefit of the Minneapolis Park and Recreation Board shall remain in effect at the rate of 0.25 percent until the bonds issued under section 473.599 have been retired. The agreements shall be executed by the city, after approval by resolution of the city council and before the issuance of the bonds under section 473.581 and commencement of construction of the Metrodome or the issuance of bonds under section 473.599 and acquisition of the basketball and hockey arena and shall constitute a contract or contracts with and for the security of all holders of the bonds and revenue anticipation certificates secured by the tax. The Metrodome shall not be constructed or remodeled in a municipality which has not entered into an agreement for the Metrodome in accordance with this section. A basketball and hockey arena shall not be acquired in the city of Minneapolis unless the city has entered into an agreement in accordance with this section as security for bonds issued pursuant to section 473.599 and expenses of operation, administration, and maintenance of the basketball and hockey arena. The tax shall be reported and paid to the commissioner of revenue with and as part of the state sales and use taxes, and shall be subject to the same penalties, interest, and enforcement provisions. The collections of the tax, less refunds and a proportionate share of the costs of collection, shall be remitted at least quarterly to the Metropolitan Council and the city of Minneapolis for use by the Minneapolis Park and Recreation Board. The commissioner of revenue shall deduct from the proceeds remitted to the council and the city an amount that equals the indirect statewide costs as well as the direct and indirect department costs necessary to administer, audit, and collect this tax. The amount deducted shall be deposited in the general fund of the state. The proceeds remitted with respect to the Metrodome shall be placed, together with the net revenues of the commission attributable to the Metrodome under section 473.595, into the debt service fund or reserve or special funds, established under section 473.581, and any funds established to secure payment of operating deficits of the commission arising from its ownership and operation of the Metrodome. The proceeds may be used for payment of debt service on bonds and revenue anticipation certificates issued under section 473.581, and expenses of operation, administration, and maintenance of the Metrodome. The proceeds shall not be used for any capital costs of the Metrodome, except that the proceeds may be used to pay interest on bonds during the construction period.

The proceeds remitted with respect to the basketball and hockey arena shall be placed, together with the net revenues of the commission attributable to the basketball and hockey arena under section 473.595, subdivision 1a, into the debt service fund or reserve or special funds,

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established under section 473.599, and any funds established to secure payment of operating deficits of the commission arising from its acquisition, ownership, operation, or maintenance of the basketball and hockey arena. The proceeds may be used for payment of debt service on bonds and revenue anticipation certificates issued under section 473.599, and expenses of operation, administration, and maintenance of the basketball and hockey arena.

### **473.595 COMMISSION FINANCES.**

Subdivision 1. **Metrodome admission tax.** The commission shall by resolution impose and maintain a ten percent admission tax upon the granting, issuance, sale, or distribution, by any private or public person, association, or corporation, of the privilege of admission to activities at the Metrodome. No other tax, surcharge, or governmental imposition, except the taxes imposed by chapter 297A, may be levied by any other unit of government upon any such sale or distribution. The admission tax shall be stated and charged separately from the sales price so far as practicable and shall be collected by the grantor, seller, or distributor from the person admitted and shall be a debt from that person to the grantor, issuer, seller, or distributor, and the tax required to be collected shall constitute a debt owed by the grantor, issuer, seller, or distributor to the commission, which shall be recoverable at law in the same manner as other debts. Every person granting, issuing, selling, or distributing tickets for such admissions may be required, as provided in resolutions of the commission, to secure a permit, to file returns, to deposit security for the payment of the tax, and to pay such penalties for nonpayment and interest on late payments, as shall be deemed necessary or expedient to assure the prompt and uniform collection of the tax.

Notwithstanding any other provisions of this subdivision, the imposition of an admission tax upon a national superbowl football game conducted at the Metrodome is discretionary with the commission.

Subd. 1a. **Arena admission tax.** The commission shall impose a ten percent admission tax on all tickets sold, issued, granted, or distributed for the privilege of admission to the basketball and hockey arena. In addition, the commission shall impose a surcharge in an amount to be determined by the commission, but not less than \$1 per ticket, on all tickets sold, issued, granted, or distributed for the privilege of admission to activities at the basketball and hockey arena. The sales price shall include the price of the ticket and any service or other charge imposed by the grantor, issuer, seller, or distributor upon the reservation, processing, distribution, delivery, or sale of the ticket. No other tax, surcharge, or governmental imposition, except the taxes imposed by chapter 297A, may be levied by any other unit of government upon such a sale or distribution. The admission tax and surcharge for the privilege of admission to activities at the basketball and hockey arena shall be charged and added to the sales price of the ticket, and imposed and collected in the same manner provided for the Metrodome pursuant to subdivision 1. The tax and surcharge provided for in this subdivision shall be effective from and after the date of the commission's acquisition of the basketball and hockey arena.

Subd. 2. **Rentals; fees; charges.** Rentals, fees, and charges provided for in use agreements at the Metrodome and basketball and hockey arena entered into by the commission shall be those estimated by the commission to be necessary and feasible to produce so far as possible, with commission revenues from other sources, the amounts needed for current operation, maintenance, and debt service. The commission shall with respect to the Met Center, the Metrodome, and the basketball and hockey arena meet and confer with any public body, authority, or agency owning or operating an entertainment or sports complex, or indoor sports arena, in the metropolitan area, for the purpose of undertaking measures or agreements maximizing revenues and eliminating unnecessary operational expenditures.

Subd. 3. **Budget preparation; review and approval.** The commission shall prepare a proposed budget by August 1 of each year. The budget shall include operating revenues and expenditures for operation, administration, and maintenance. In addition, the budget must show for each year:

(a) The estimated operating revenues from all sources including funds on hand at the beginning of the year, and estimated expenditures for costs of operation, administration, maintenance, and debt service;

(b) Capital improvement funds estimated to be on hand at the beginning of the year and estimated to be received during the year from all sources and estimated cost of capital improvements to be paid out or expended during the year; all in such detail and form as the council may prescribe; and

(c) The estimated source and use of pass-through funds.

As early as practicable before August 15 of each year, the commission shall hold a public hearing on a draft of the proposed budget. Along with the draft, the commission shall publish

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a report on user charges. The report must include an estimate and analysis of the changes in user charges, rates, and fees that will be required by the commission's budget. Not less than 14 days before the hearing, the commission shall publish notice of the hearing in a newspaper having general circulation in the metropolitan area, stating the date, time, and place of hearing, and the place where the proposed budget and report on user charges may be examined by any interested person. Following the hearing, the commission shall publish a report of the hearing that summarizes the comments received and the commission's response. The council shall approve or disapprove the entire budget by October 1 of each year. Before December 15 of each year, the commission shall by resolution adopt a final budget. The commission shall file its final budget with the council on or before December 20 of each year. The council shall file the budgets with the secretary of the senate and the clerk of the house of representatives not later than January 1 of each year.

Except in an emergency, for which procedures must be established by the commission, the commission and its officers, agents, and employees may not spend money for any purpose, other than debt service, without an appropriation by the commission, and no obligation to make such an expenditure shall be enforceable except as the obligation of the person or persons incurring it. The creation of any debt obligation or the receipt of any federal or state grant is a sufficient appropriation of the proceeds for the purpose for which it is authorized, and of the tax or other revenues pledged to pay the obligation and interest on it whether or not specifically included in any annual budget. After obtaining approval of the council, the commission may amend the budget at any time by transferring any appropriation from one purpose to another, except appropriations of the proceeds of bonds issued for a specific purpose.

Subd. 4. **Payment of council costs.** The commission shall comply with the provisions of section 473.164.

Subd. 5. **Audit.** The legislative auditor shall make an independent audit of the commission's books and accounts once each year or as often as the legislative auditor's funds and personnel permit. The costs of the audits shall be paid by the commission pursuant to section 3.9741. The council may examine the commission's books and accounts at any time.

Subd. 6. **General.** The commission shall receive and account for all tax and other revenue of the commission and from the revenue shall provide, contract, and pay for proper operation, administration, and maintenance of all of its property and facilities and shall maintain, as authorized by resolutions of the council, reserves for major repairs, replacements, and improvements and for working capital. The commission shall remit to the council for deposit in its Metrodome debt service funds, at the times required by resolution of the council, the net revenue attributable to the Metrodome in excess of these requirements and for deposit in its basketball and hockey arena debt service fund or funds, at the times required by resolution of the council, the net revenue attributable to the basketball and hockey arena in excess of these requirements.

Subd. 7. **Sale of seats.** The commission may sell seats in any multipurpose sports facility constructed after June 30, 1979 at prices and subject to conditions consistent with this section. Ownership of a seat shall give the owner first preference for purchase of a season ticket of admission for professional sports exhibitions with a right to be seated in the owned seat. An owner may sell or otherwise transfer the rights on whatever terms the owner chooses. Rights to a seat may not be divided. No fee may be charged for a transfer of ownership of a seat. The commission may charge a maintenance fee not exceeding \$10 per year for each seat.

#### **473.598 ARENA ACQUISITION.**

Subdivision 1. **Commission determination.** The commission shall first determine whether to pursue negotiations to acquire the basketball and hockey arena.

Subd. 2. **Examination and disclosure of loan terms.** Before making a final decision to acquire the basketball and hockey arena, the commission must obtain and examine all the terms, conditions, covenants, and other provisions of any loan agreements between the owners of the arena and third parties that provided financing secured by mortgages on or other security interests in the basketball and hockey arena. These terms specifically include any agreements that require a professional team affiliated with the owner to lease or use the arena or that restrict or limit the authority of the team owners or affiliates to relocate the team. The commission shall make the terms of the agreements available for public inspection.

Subd. 3. **Commission proposal.** (a) If the commission makes a final determination to acquire the basketball and hockey arena, the commission may then submit to the Metropolitan Council a proposal to bond for and acquire the basketball and hockey arena. The commission's proposal shall contain all information deemed appropriate or necessary by the council to its determinations pursuant to section 473.599, subdivision 4. The commission, in preparing the

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proposal for the council, shall require of the sellers and of the professional teams that are potential lessees or other potential lessees and all of their affiliated entities any and all data relevant to the acquisition, financing, ownership, and operation of the basketball and hockey arena, including, but not limited to, contracts, agreements, profit and loss statements, annual audit statements and balance sheets. The commission shall contract with an independent, nationally recognized firm of certified public accountants to perform due diligence and provide an economic feasibility study or report with regard to the data received by the commission from the sellers, the potential lessees, and affiliated entities. In evaluating whether to acquire the basketball and hockey arena, the commission shall consider among other factors, (a) total capital and operating costs of the basketball and hockey arena to the commission and total commission revenues from the basketball and hockey arena over the expected life of the facility, including any contributions by the state, local units of government or other organizations, (b) the total governmental costs associated with the acquisition and operation of the basketball and hockey arena, including the cost to all units and agencies of government as well as the costs to the commission, (c) the net gain or loss of taxes to the state and all local government units, and (d) economic and other benefits accruing to the public.

(b) Before submitting its proposal to the Metropolitan Council under paragraph (a), the commission shall submit the proposal to the Department of Management and Budget for review, evaluation, and comment. Any data which is not public data under subdivision 4 shall remain not public data when given to the Department of Management and Budget.

**Subd. 4. Treatment of data.** (a) Except as specifically provided in this subdivision, all data received by the commission or council in the course of its negotiations and acquisition of the basketball and hockey arena is public data.

(b) The commission may keep confidential data received or prepared by its accountants or counsel for purposes of negotiations with existing or potential lessees of the basketball and hockey arena. That data shall be confidential data on individuals under section 13.02, subdivision 3, or protected nonpublic data under section 13.02, subdivision 13, as the case may be, unless the commission determines that public release of the data would advance the negotiations, or until the potential lessees have executed agreements with the commission or the negotiations are unfavorably concluded.

(c) The following data shall be private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9, as the case may be:

(1) data received by the commission or council from the present lessees or potential lessees of the basketball and hockey arena which if made public would, due to the disclosure, permit a competitive economic advantage to other persons;

(2) data relating to affiliated entities of the parties referred to in subdivision 3 which is not relevant to the due diligence and economic feasibility study referred to under subdivision 3; and

(3) data on individuals which is not relevant to the finances of the basketball and hockey arena or useful to demonstrate the financial ability of the potential lessees of the arena to perform their agreements with the commission.

(d) For purposes of this subdivision, the terms "commission" and "council" include their members and employees, accountants, counsel, and consultants and the firm of independent certified public accountants to be engaged under subdivision 2.

(e) Notwithstanding the exceptions in this subdivision, summary data which demonstrates the financial ability of the lessees and potential lessees of the basketball and hockey arena to perform their obligations under agreements with the commission and data which relates in any way to the value of the basketball and hockey arena and the amount by which the owners' investment in the arena, including debt obligations, exceeds the commission's payments to and assumption of the owners' debt obligations, shall be public data.

**Subd. 5. Hockey agreement.** The commission shall exercise its best efforts, consistent with its other obligations under sections 473.551 to 473.599 to attempt to secure an agreement with a major league professional hockey organization to play its home games at the basketball and hockey arena.

#### **473.599 DEBT OBLIGATIONS.**

**Subdivision 1. Revenues.** It is the intent of the legislature that the commission shall, to the maximum extent possible consistent with the provisions of this section, impose rates, rentals, and other charges in the operation of the basketball and hockey arena which together with the admissions tax and surcharge provided in section 473.595, subdivision 1a, will make the basketball and hockey arena self-supporting so that the taxes imposed under section 473.592 for the basketball and hockey arena will be at the lowest possible rate consistent with the obligations of the city of Minneapolis as provided in sections 473.551 to 473.599.

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Subd. 2. **Bonds.** The council shall by resolution authorize the sale and issuance of its bonds for any of the following purposes upon its determination that the conditions of subdivision 4 have been met:

- (a) To provide funds for the acquisition or betterment of the basketball and hockey arena by the commission pursuant to sections 473.598 and 473.599;
- (b) To refund bonds issued under this section; and
- (c) To fund judgments entered by any court against the commission or against the council in matters relating to the basketball and hockey arena.

Subd. 3. **Procedure.** The bonds shall be sold, issued, and secured in the manner provided in chapter 475 for bonds payable solely from revenues, except as otherwise provided in sections 473.551 to 473.599, and the council shall have the same powers and duties as a municipality and its governing body in issuing bonds under chapter 475. The council may pledge for the payment of the bonds the net revenues of the commission arising from the commission's operation of the basketball and hockey arena, the tax provided by section 473.592 for the basketball and hockey arena, and the admission tax and surcharge authorized in section 473.595, subdivision 1a. The bonds may be sold at any price and at public or private sale as determined by the council. They shall be payable solely from tax and other revenues referred to in sections 473.551 to 473.599, and shall not be a general obligation or debt of the council or of the commission, and shall not be included in the net debt of any city, county, or other subdivision of the state for the purpose of any net debt limitation, but nothing in this section shall affect the obligation of the city of Minneapolis to levy a tax pursuant to an agreement made under the provisions of section 473.592. No election shall be required. The principal amount shall not be limited except as provided in subdivision 4.

Subd. 4. **Limits.** The principal amount of the bonds issued pursuant to subdivision 2, clause (a), exclusive of any original issue discount, shall not exceed the total amount of \$42,000,000 plus such amount as the council determines necessary to pay the costs of issuance, fund reserves for operation and debt service, and pay for any bond insurance or other credit enhancement. The bonds may be issued as tax-exempt revenue bonds or as taxable revenue bonds in the proportions that the commission may determine. The proceeds of the bonds issued pursuant to subdivision 2, clause (a), shall be used only for acquisition and betterment of sports facilities suitable for a basketball and hockey arena and the arena land and the related purposes referred to in this subdivision, and for reimbursement of any expenses of the commission related to its determination of whether to acquire the basketball and hockey arena, whenever incurred. The council shall issue its bonds pursuant to subdivision 2, clause (a), and the commission may acquire the basketball and hockey arena and the arena land when the council has made the following determinations:

(a) The commission, the city of Minneapolis or the Minneapolis Community Development Agency, or any or all of them, as the commission may deem appropriate, has executed agreements with a major league professional basketball organization to use the arena for all scheduled regular season home games and play-off home games, and for at least one of its exhibition games played each season. The agreements shall be for a period of 30 years. The agreements may contain provisions negotiated with the organization which provide for earlier termination of the use of the basketball and hockey arena by the commission upon conditions related to and limited to the bankruptcy or insolvency of the organization. The agreements shall afford to the commission, the city of Minneapolis, or the Minneapolis Community Development Agency, or each or all of them, as the commission deems appropriate, the remedies that are deemed necessary and appropriate to provide reasonable assurances that the major league professional basketball organization or another major league professional basketball organization shall comply with the agreements. The remedies shall include the payment of liquidated damages equivalent to direct and consequential damages incurred by reason of the breach of the agreements and any additional remedies or security arrangements the commission reasonably determines to be effective in accomplishing the purposes of this paragraph. The damages payment may be payable in a lump sum or in installments as the commission may deem appropriate. The commission may require that the agreements include other terms and conditions to provide reasonable assurances that the major league professional basketball team or a successor major league professional basketball team will play the required games at the basketball and hockey arena during the 30-year term of the agreements, or, in the event of a breach, to assure the payment of the required damages. The agreements shall address contingencies that may arise in the event of change of ownership of the professional teams. The agreements with the professional basketball organization for the use of the basketball and hockey arena shall provide for arrangements which the commission may deem necessary or appropriate to accommodate a future agreement between the commission and a professional hockey organization to occupy the basketball and hockey arena, consistent with this section.

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(b) The commission has exercised its reasonable efforts to obtain assurances and/or agreements from the professional basketball major league to the extent permitted under applicable federal and state law, that it will not approve the relocation of the major league professional basketball organization if the relocation is in violation of the terms of the agreements referred to in paragraph (a).

(c) The professional basketball team has provided information sufficient to satisfy the council and the commission of the team's ability to comply with the terms of the 30-year lease.

(d) The proceeds of bonds provided for in this subdivision will be sufficient for the purposes for which they are issued.

(e) The commission has acquired, or has contracted to acquire, (i) leasehold title to the arena land together with the estate of the tenant and other rights demised under the ground lease, subject to amendment as provided in clause (o), (ii) ownership of all real and personal property comprising the basketball and hockey arena, and (iii) all easements, appurtenances and other rights, title, or interest deemed by the commission necessary or desirable in connection with the acquisition, financing, ownership, and operation of the basketball and hockey arena.

(f) The percentage of the private boxes provided for in the commission's proposal for the basketball and hockey arena are sold or leased for the period that the commission finds advisable.

(g) The anticipated admission taxes and surcharges and other revenue from the operation of the basketball and hockey arena will be sufficient to pay when due all basketball and hockey arena debt service plus all administration, operating and maintenance expense of the arena.

(h) The city of Minneapolis has entered into an agreement as contemplated in clause (n) and an agreement or agreements as contemplated in section 473.592 with respect to the basketball and hockey arena.

(i) The council has entered into an agreement with the brokerage firm or brokerage firms to be used in connection with the issuance and sale of the bonds guaranteeing that fees and charges payable to the brokerage firm or firms in connection therewith, including any underwriting discounts, shall not exceed fees and charges customarily payable in connection with the issuance and sale of bonds secured by the pledge of the full faith and credit of the city of Minneapolis.

The validity of any bonds issued under subdivision 2, clause (a), and the obligations of the council and commission related to them, shall not be conditioned upon or impaired by the council's determination made pursuant to this subdivision. For purposes of issuing the bonds the determinations made by the commission and council shall be deemed conclusive, and the council shall be and remain obligated for the security and payment of the bonds irrespective of determinations which may be erroneous, inaccurate, or otherwise mistaken.

(j) The commission has entered into arrangements with any other persons to create a condominium or leasehold condominium, or common interest community or leasehold common interest community, with respect to the building containing the basketball and hockey arena, including the arena playing and spectator areas, and all other portions of the building, and together with the arena land and all other related improvements, easements and other appurtenant and ancillary property and property rights. The Minneapolis Community Development Agency in its capacity as ground lease landlord may be a party to the condominium or common interest community declaration. The condominium or common interest community declaration shall establish the portion of the building containing the health club as a separate unit of the condominium or common interest community, and the commission shall have entered into an agreement or agreements with a private sports and health club organization which shall require that the organization shall purchase or retain ownership of the unit with its own funds and at no cost or expense to the commission, and that the organization shall pay for all utility and other operating costs and expenses including allocated common expenses and pay ad valorem property taxes for the unit. The condominium or common interest community declaration may also establish other units in the condominium or common interest community which shall include the arena playing and spectator areas and may also include office space, restaurant space, locker rooms, private spectator suites or boxes, signage, and other areas, and may also establish common elements, limited common elements and other easements and interests as the commission deems necessary or appropriate. The agreement or agreements between the commission and the private sports and health club organization may also address additional matters which may be the subject of the bylaws or other agreements or arrangements among unit owners of condominiums or common interest communities, either as part of, or separately from, the provisions of chapter 515A or 515B, or any other items as may be ordinarily and customarily negotiated between the commission and the organization.

(k) The private sports and health club organization has executed an assessment agreement pursuant to section 469.177, subdivision 8, obligating payment of ad valorem taxes based on a

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minimum market value of the health club of at least \$10,000,000 with the city of Minneapolis or the Minneapolis Community Development Agency.

(l) The commission has executed an agreement requiring the commission to remit annually to the Minneapolis Community Development Agency or appropriate agency an amount which together with any ad valorem taxes or other amounts received by the city of Minneapolis or the Minneapolis Community Development Agency from the health club as tax increments equals the debt service required by the tax increment district attributable to the basketball and hockey arena until the current outstanding indebtedness or any refunding thereof has been paid or retired.

(m) The development agreement shall be amended:

(i) so that no payments are due to the city of Minneapolis or the Minneapolis Community Development Agency from the commission or any other person with respect to the sale, ownership or operation of the basketball and hockey arena, except as provided in clauses (k), (l), and (n); and

(ii) to confirm the satisfactory performance of the obligations of the parties to the development agreement on the effective date of the commission's acquisition; provided, that the city of Minneapolis and the Minneapolis Community Development Agency shall not be required to release any claim they may have under the development agreement with respect to the operations or sale of the health club (except as such claim may arise from the commission's acquisition of the basketball and hockey arena and the contemporaneous sale or transfer of the health club to those persons who own the basketball and hockey arena and the health club on the date of the commission's acquisition) or from the operations or sale of the professional basketball organization occupying the basketball and hockey arena or the security they may have under the development agreement or the ground lease to assure its performance, pursuant to the guaranty of the guarantors in the event of any default of the commission under the ground lease, or of the owners of the health club with respect to the payment of ad valorem taxes or any payment due from them under the development agreement as amended in accordance with the provisions of this subdivision.

(n) The commission has executed an agreement with the city of Minneapolis providing that for so long as the commission owns the basketball and hockey arena the city shall not impose any entertainment tax or surcharge on tickets purchased for any and all events at the basketball and hockey arena. The agreement may also provide that the commission shall compensate the city for the forbearance of the entertainment tax in effect on the effective date of Laws 1994, chapter 648, plus accrued interest, after payment of basketball and hockey arena debt service, the necessary and appropriate funding of debt reserve of the basketball and hockey arena and all expenses of operation, administration, and maintenance, and the funding of a capital reserve for the repair, remodeling and renovation of the basketball and hockey arena. The required funding of the capital reserve shall be in an amount mutually agreed to by the commission and the city.

(o) The ground lease shall be amended by the Minneapolis Community Development Agency to the reasonable satisfaction of the commission to provide:

(i) that the commission's sole financial obligation to the landlord shall be to make the payment provided for in clause (l) from the net revenues of the commission attributable to the operation of the basketball and hockey arena;

(ii) that the term of the lease shall be 99 years;

(iii) that the commission shall have the option to purchase the arena land upon the payment of \$10 at any time during the term of the ground lease, but, unless otherwise agreed to by the Minneapolis Community Development Agency, only after the payment or retirement of the general obligation tax increment bonds previously issued by the city of Minneapolis to assist in financing the acquisition of the arena land; and

(iv) other amendments as the commission deems necessary and reasonable to accomplish its purposes as provided in sections 473.598 and 473.599.

(p) The commission has received a report or reports by qualified consultants on the basketball and hockey arena, the health club and the arena land, based on thorough inspection in accordance with generally accepted professional standards and any correction, repair, or remediation disclosed by the reports has been made to the satisfaction of commission.

Subd. 5. **Security.** To the extent and in the manner provided in sections 473.592 and 473.595, the taxes described in section 473.592 for the basketball and hockey arena, the tax, surcharge and other revenues of the commission described in section 473.595, subdivision 1a, attributable to the basketball and hockey arena and any other revenues of the commission attributable to the basketball and hockey arena shall be and remain pledged and appropriated for the purposes specified in Laws 1994, chapter 648, article 1, and for the payment of all necessary and reasonable expenses of the operation, administration, maintenance, and debt service of the basketball and hockey arena until all bonds referred to in section 473.599, subdivision 2, are fully paid or discharged in accordance with law. Bonds issued pursuant to this section may be

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secured by a bond resolution, or by a trust indenture entered into by the council with a corporate trustee within or outside the state, which shall define the tax and other revenues pledged for the payment and security of the bonds. The pledge shall be a valid charge on the tax, surcharge and other revenues attributable to the basketball and hockey arena referred to in sections 473.592, 473.595, subdivision 1a, 473.598, and 473.599 from the date when bonds are first issued or secured under the resolution or indenture and shall secure the payment of principal and interest and redemption premiums when due and the maintenance at all times of a reserve securing the payments. No mortgage of or security interest in any tangible real or personal property shall be granted to the bondholders or the trustee, but they shall have a valid security interest in all tax and other revenues received and accounts receivable by the commission or council under sections 473.592 to the extent of the tax imposed as security for the debt service of the basketball and hockey arena, 473.595, subdivision 1a, 473.598, and 473.599, as against the claims of all other persons in tort, contract, or otherwise, irrespective of whether the parties have notice of them, and without possession or filing as provided in the Uniform Commercial Code or any other law. In the bond resolution or trust indenture the council may make the covenants, which shall be binding upon the commission, as are determined to be usual and reasonably necessary for the protection of the bondholders. No pledge, mortgage, covenant, or agreement securing bonds may be impaired, revoked, or amended by law or by action of the council, commission, or city, except in accordance with the terms of the resolution or indenture under which the bonds are issued, until the obligations of the council under the resolution or indenture are fully discharged.

**Subd. 6. Revenue anticipation certificates.** After approval by the council and final adoption by the commission of an annual budget of the commission for operation, administration, and maintenance of the basketball and hockey arena, and in anticipation of the proceeds from the taxes under section 473.592 and the revenues of the commission provided for in the budget, but subject to any limitation or prohibition in a bond resolution or indenture, the council may authorize the issuance, negotiation, and sale, in the form and manner and upon the terms that it may determine, of revenue anticipation certificates. The principal amount of the certificates outstanding shall at no time exceed 25 percent of the total amount of the tax and other revenues anticipated. The certificates shall mature not later than three months after the close of the budget year. Prior to the approval and final adoption of the annual budget of the commission, the council may authorize revenue anticipation certificates under this subdivision. So much of the anticipated tax and other revenues as may be needed for the payment of the certificates and interest on them shall be paid into a special debt service fund established for the certificates in the council's financial records. If for any reason the anticipated tax and other revenues are insufficient, the certificates and interest shall be paid from the first tax, surcharge and other revenues received attributable to the basketball and hockey arena, subject to any limitation or prohibition in a bond resolution or indenture. The proceeds of the certificates may be used for any purpose for which the anticipated revenues or taxes may be used or for any purpose for which bond proceeds under subdivision 2 may be used.

**Subd. 7. Arena free of mortgages, liens, and obligations.** With the exception of the obligations imposed by sections 473.598 and 473.599, the commission shall not assume any notes, pledges, mortgages, liens, encumbrances, contracts, including advertising contracts or marquee agreements, or other obligations upon acquisition of the basketball and hockey arena or the arena land, including but not by way of limitation, management or concession agreements. Upon acquisition by the commission, the basketball and hockey arena and the arena land shall be free of all liens and encumbrances, including the foregoing but excluding the easements and rights-of-way that the commission shall determine do not materially impair or affect its ownership and operation of the basketball and hockey arena. Upon acquisition, the commission shall, through a process involving statewide public participation, select a name for the basketball and hockey arena. In the process of selecting the name, the commission shall consider its obligation under section 473.599, subdivision 1, but that obligation must not be the principal consideration in making the selection.

**Subd. 8. Reimbursement to state.** The commission shall compensate the state for its contribution from the general fund under Minnesota Statutes 2008, section 240A.08, plus accrued interest, after payment of basketball and hockey arena debt service, the necessary and appropriate funding of debt reserve of the basketball and hockey arena and all expenses of operation, administration, and maintenance and the funding of a capital reserve for the repair, remodeling and renovation of the basketball and hockey arena. Compensation paid to the state shall occur at the same time that compensation is paid to the city of Minneapolis, as provided in paragraph (n) of subdivision 4, on a basis proportionate to the amount of forbearance of the entertainment tax or surcharge as provided in paragraph (n) to that date, and the amount of general fund appropriations paid by the state under Minnesota Statutes 2008, section 240A.08, to that date. No reimbursement will be paid under this subdivision after (1) the aggregate amount of the appropriations granted

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under Minnesota Statutes 2008, section 240A.08, to that time, plus accrued interest, has been reimbursed under this subdivision, or (2) December 31, 2024, whichever is earlier.

**473.76 METROPOLITAN SPORTS FACILITIES COMMISSION.**

The Metropolitan Sports Facilities Commission may authorize, by resolution, technical, professional, or financial assistance to the county and authority for the development and operation of the ballpark upon such terms and conditions as the county or authority and the Metropolitan Sports Facilities Commission may agree, including reimbursement of financial assistance from the proceeds of the bonds authorized in this chapter. Without limiting the foregoing permissive powers, the Metropolitan Sports Facilities Commission shall transfer \$300,000 from its cash reserves to the county on or prior to January 1, 2007, for use in connection with preliminary ballpark and public infrastructure costs, which amount shall be repaid by the county from collections of the tax authorized by section 473.757, if any.