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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. 2422

02/22/2012 Authored by Hamilton

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform

1.1 A bill for an act

1.2 relating to stadiums; constructing a stadium in Arden Hills; authorizing electronic

1.3 pull-tabs and bingo; authorizing the sale and issuance of state appropriation

1.4 bonds; funding public infrastructure improvements; appropriating money;

1.5 amending Minnesota Statutes 2010, sections 3.971, subdivision 6; 3.9741, by

1.6 adding a subdivision; 13.55, subdivision 1; 297A.71, by adding a subdivision;

1.7 297A.992, by adding a subdivision; 349.12, subdivisions 3b, 3c, 5, 6a, 12a, 18,

1.8 25b, 25c, 25d, 29, 31, 32, by adding subdivisions; 349.13; 349.151, subdivisions

1.9 4b, 4c, by adding a subdivision; 349.161, subdivisions 1, 5; 349.162, subdivision

1.10 5; 349.163, subdivisions 1, 5, 6; 349.1635, subdivisions 2, 3, by adding a

1.11 subdivision; 349.17, subdivisions 6, 7, 8, by adding a subdivision; 349.1721;

1.12 349.18, subdivision 1; 349.19, subdivisions 2, 3, 5, 10; 349.211, subdivision

1.13 1a; 349.2127, subdivision 2; 352.01, subdivision 2a; 473.121, subdivision 5a;

1.14 473.164; 473.565, subdivision 1; Minnesota Statutes 2011 Supplement, sections

1.15 10A.01, subdivision 35; 340A.404, subdivision 1; proposing coding for new law

1.16 in Minnesota Statutes, chapter 383A; proposing coding for new law as Minnesota

1.17 Statutes, chapter 473J; repealing Minnesota Statutes 2010, sections 137.50,

1.18 subdivision 5; 473.551; 473.552; 473.553, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9,

1.19 10, 11, 12, 13; 473.556, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16,

1.20 17; 473.561; 473.564, subdivisions 2, 3; 473.572; 473.581; 473.592, subdivision

1.21 1; 473.595; 473.5955; 473.596; 473.598; 473.599; 473.5995; 473.76.

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

1.23 ARTICLE 1

1.24 MINNESOTA STADIUM AUTHORITY

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

1.26 Subd. 6. **Financial audits.** The legislative auditor shall audit the financial

1.27 statements of the state of Minnesota required by section 16A.50 and, as resources permit,

1.28 shall audit Minnesota State Colleges and Universities, the University of Minnesota, state

1.29 agencies, departments, boards, commissions, courts, and other state organizations subject

1.30 to audit by the legislative auditor, including the State Agricultural Society, Agricultural

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;

- 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.05.

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  
 3.32 or consumed in, and equipment incorporated into, the construction or improvement of  
 3.33 the football stadium, and infrastructure as defined under section 473J.03, subdivision  
 3.34 13, constructed pursuant to this act are exempt. This subdivision expires one year  
 3.35 after the date that the first National Football League game is played in the stadium for

4.1 materials, supplies, and equipment used in the stadium, and five years after the issuance  
 4.2 of the first bonds under section 473J.19 for materials, supplies, and equipment used in  
 4.3 the infrastructure.

4.4 **EFFECTIVE DATE.** This section is effective for sales and purchases made after  
 4.5 June 30, 2012.

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

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

4.10 (1) hotels;

4.11 (2) restaurants;

4.12 (3) bowling centers;

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

4.18 (5) sports facilities located on land owned or leased by the Minnesota Stadium  
 4.19 Authority;

4.20 ~~(5)~~ (6) sports facilities located on land owned by the Metropolitan Sports  
 4.21 Commission; and

4.22 ~~(6)~~ (7) exclusive liquor stores.

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

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

4.33 (d) A city may issue an on-sale wine license and an on-sale malt liquor license to  
 4.34 a person who is the owner of a summer collegiate league baseball team, or to a person  
 4.35 holding a concessions or management contract with the owner, for beverage sales at a

5.1 ballpark or stadium located within the city for the purposes of summer collegiate league  
 5.2 baseball games at the ballpark or stadium, notwithstanding any law, local ordinance, or  
 5.3 charter provision. A license issued under this paragraph authorizes sales on all days of the  
 5.4 week to persons attending baseball games at the ballpark or stadium.

5.5 Sec. 6. [473J.01] PURPOSE.

5.6 The purpose of this chapter is to provide for the planning, construction, financing,  
 5.7 and long-term use of a stadium as a venue for professional football and a broad range  
 5.8 of community, civic, and sporting events. The legislature finds and declares that the  
 5.9 expenditure of public money by the county and the state for this purpose is necessary  
 5.10 and serves a public and important statewide purpose, and that property acquired by the  
 5.11 county and/or the authority for the construction of the stadium and related infrastructure is  
 5.12 acquired for a public use or public purpose under chapter 117. The legislature further finds  
 5.13 and declares that any provision in a lease or use agreement with a professional football  
 5.14 team that requires the team to play all of its home games in a publicly funded stadium,  
 5.15 with exceptions as provided in section 473J.11, subdivision 5, for the duration of the  
 5.16 lease or use agreement serves a unique public purpose for which the remedies of specific  
 5.17 performance and injunctive relief are essential to its enforcement. The legislature further  
 5.18 finds and declares that government assistance to facilitate the presence of professional  
 5.19 football provides to the state of Minnesota and its citizens highly valued intangible  
 5.20 benefits that are virtually impossible to quantify and, therefore, not recoverable even if  
 5.21 the government receives monetary damages in the event of a team's breach of contract.  
 5.22 Minnesota courts are, therefore, charged with protecting those benefits through the use  
 5.23 of specific performance and injunctive relief as provided in this chapter and in the lease  
 5.24 and use agreements.

5.25 Sec. 7. [473J.03] DEFINITIONS.

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

5.29 Subd. 2. **Authority.** "Authority" means the Minnesota Stadium Authority  
 5.30 established under section 473J.05.

5.31 Subd. 3. **City.** "City" means the city of Arden Hills.

5.32 Subd. 4. **County.** "County" means Ramsey County.

6.1 Subd. 5. **County agreement.** "County agreement" means the definitive agreement  
6.2 or agreements to be entered into between the county and the team which shall be consistent  
6.3 with the principles of agreement.

6.4 Subd. 6. **Development area.** "Development area" means the Twin Cities Army  
6.5 Ammunitions Plant site in Arden Hills as further described in the county agreement.

6.6 Subd. 7. **Infrastructure costs.** "Infrastructure costs" means the costs of all property,  
6.7 facilities, and improvements determined by the authority as necessary or desirable to  
6.8 facilitate the development and use of the stadium, including but not limited to property and  
6.9 improvements for drainage, environmental remediation, parking, on-site roadways and  
6.10 public rights-of-way, walkways, skyways, pedestrian bridges, bicycle paths, and transit  
6.11 improvements to facilitate public access to the stadium, lighting, landscaping, utilities,  
6.12 streets, and streetscapes. Infrastructure costs do not include off-site public infrastructure  
6.13 improvements.

6.14 Subd. 8. **Land acquisition costs.** "Land acquisition costs" means the costs of  
6.15 acquiring the land for the project.

6.16 Subd. 9. **NFL.** The NFL is the National Football League.

6.17 Subd. 10. **Principles of agreement.** "Principles of agreement" means the Ramsey  
6.18 County/Minnesota Vikings Principles of Agreement for the development of a new  
6.19 multipurpose stadium, dated May 10, 2011.

6.20 Subd. 11. **Stadium.** "Stadium" means the stadium suitable for professional football  
6.21 to be designed, constructed, and financed under this chapter. The stadium must have a  
6.22 fixed roof that covers the stadium.

6.23 Subd. 12. **Stadium costs.** "Stadium costs" means the costs of designing,  
6.24 constructing, and equipping a stadium suitable for professional football and for other  
6.25 civic and community uses.

6.26 Subd. 13. **Stadium project.** "Stadium project" means the stadium and  
6.27 accompanying on-site infrastructure costs. It does not include ancillary private real estate  
6.28 development.

6.29 Subd. 14. **Streetscape.** "Streetscape" means improvements to streets and sidewalks  
6.30 or other public rights-of-way for the purpose of enhancing the movement, safety,  
6.31 convenience, or enjoyment of stadium patrons and other pedestrians, including decorative  
6.32 lighting and surfaces, plantings, display and exhibit space, adornments, seating, and  
6.33 transit and bus shelters.

6.34 Subd. 15. **Team.** "Team" means the owner of the professional football team known,  
6.35 as of the effective date of this chapter, as the Minnesota Vikings or any owner who

7.1 purchases or otherwise takes ownership or control of or reconstitutes the professional  
7.2 football team known as the Minnesota Vikings.

7.3 Subd. 16. **Watershed district.** "Watershed district" means the Rice Creek  
7.4 Watershed District.

7.5 Subd. 17. **Off-site public infrastructure.** "Off-site public infrastructure" means  
7.6 road, sewer, water, or other public improvements of a capital nature that are necessary  
7.7 to provide public access to the stadium and that are not included in infrastructure as  
7.8 defined in subdivision 7.

7.9 **Sec. 8. [473J.05] MINNESOTA STADIUM AUTHORITY.**

7.10 Subdivision 1. **Establishment and purpose.** The authority is established as a  
7.11 public body, corporate and politic, and political subdivision of the state. In addition to  
7.12 those powers and duties ascribed the authority herein, the authority shall ensure athletic,  
7.13 educational, cultural, commercial and other entertainment, instruction, and activity for  
7.14 the citizens of Minnesota and visitors. The authority is not a joint powers entity or an  
7.15 agency or instrumentality of the county.

7.16 Subd. 2. **Membership; terms.** (a) The authority shall consist of five members.

7.17 (b) The chair and two members shall be appointed by the governor. One member  
7.18 appointed by the governor shall serve until December 31 of the third year following  
7.19 appointment and the other shall serve until December 31 of the sixth year following  
7.20 appointment. Thereafter, members appointed by the governor shall serve six-year terms,  
7.21 beginning January 1. The chair serves at the pleasure of the governor. All members  
7.22 appointed by the governor must reside outside the county.

7.23 (c) The governing board of the county shall appoint two members to the authority.  
7.24 One member appointed by the county shall serve until December 31 of the third year  
7.25 following appointment and one member shall serve until December 31 of the sixth year  
7.26 following appointment. Thereafter, members appointed by the county shall serve six-year  
7.27 terms, beginning January 1. Members appointed under this paragraph may reside within  
7.28 or outside the county. One member appointed by the county may be from Arden Hills.

7.29 (d) Each member appointed under this subdivision serves until a successor is  
7.30 appointed and takes office. A member must not be an appointed or elected official of any  
7.31 political subdivision. If a vacancy occurs as provided in section 351.02, it shall be filled by  
7.32 the appointing authority in the same manner in which the original appointment was made.

7.33 Subd. 3. **Compensation.** The authority may compensate its members, other than the  
7.34 chair, as provided in section 15.0575. The chair shall receive, unless otherwise provided

8.1 by other law, a salary in an amount fixed by the authority and shall be reimbursed for  
8.2 reasonable expenses to the same extent as a member.

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

8.8 Subd. 5. **Bylaws.** The authority shall adopt bylaws to establish rules of procedure,  
8.9 the powers and duties of its officers, and other matters relating to the governance of the  
8.10 authority and the exercise of its powers.

8.11 Subd. 6. **Audit.** The legislative auditor shall audit the books and accounts of the  
8.12 authority once each year or as often as the legislative auditor's funds and personnel permit.  
8.13 The authority shall pay the total cost of the audit pursuant to section 3.9741.

8.14 Subd. 7. **Executive director; employees.** The authority may appoint an executive  
8.15 director to serve as the chief executive officer of the authority. The executive director  
8.16 serves at the pleasure of the authority and receives compensation as determined by it.  
8.17 The executive director is responsible for the operation, management, and promotion of  
8.18 activities of the authority, as prescribed by the authority. The executive director has the  
8.19 powers necessarily incident to the performance of duties required and powers granted by  
8.20 the authority, but does not have authority to incur liability or make expenditures on behalf  
8.21 of the authority without general or specific directions by the authority, as shown by the  
8.22 bylaws or minutes of a meeting of the authority. The executive director is responsible for  
8.23 hiring, supervision, and dismissal of all other employees of the authority.

8.24 Subd. 8. **Web site.** The authority shall establish a Web site for purposes of  
8.25 providing information to the public concerning all actions taken by the authority. At a  
8.26 minimum, the Web site must contain a current version of the authority's bylaws, notices  
8.27 of upcoming meetings, minutes of the authority's meetings, and contact telephone and  
8.28 facsimile numbers for public comments.

8.29 Subd. 9. **Accounts of the authority.** The authority shall establish accounts to  
8.30 receive and expend money for planning, construction, operations, maintenance, and  
8.31 capital expenditures.

8.32 **Sec. 9. [473J.07] POWERS, DUTIES OF THE AUTHORITY.**

8.33 Subdivision 1. **Actions.** The authority may sue and be sued. The stadium and  
8.34 infrastructure are public improvements within the meaning of chapter 562. The authority  
8.35 is a municipality within the meaning of chapter 466.

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

9.5            Subd. 3. **Disposition of property.** The authority may sell, lease, transfer, or  
9.6 otherwise dispose of any real or personal property acquired by the authority that is no  
9.7 longer required for accomplishment of the authority's purposes. The property may be sold  
9.8 in accordance with the procedures provided by section 469.065, except subdivisions 5, 6,  
9.9 and 7, to the extent the authority deems it to be practical and consistent with this chapter.  
9.10 Title to the stadium must not be transferred or sold prior to the effective date of enactment  
9.11 of any legislation approving such transfer or sale.

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

9.14           Subd. 5. **Employees; contracts for services.** The authority may employ persons  
9.15 and contract for services necessary to carry out its functions, including the utilization of  
9.16 employees and consultants retained by other governmental entities.

9.17           Subd. 6. **Gifts, grants.** The authority may accept monetary contributions, property,  
9.18 services, and grants or loans of money or other property from the United States, the state,  
9.19 any subdivision of the state, any agency of those entities, or any person for any of its  
9.20 purposes, and may enter into any agreement required in connection with the gifts, grants,  
9.21 or loans. The authority shall hold, use, and dispose of the money, property, or services  
9.22 according to the terms of the monetary contributions, grant, loan, or agreement.

9.23           Subd. 7. **Research.** The authority may conduct research studies and programs;  
9.24 collect and analyze data; prepare reports, maps, charts, and tables; and conduct all  
9.25 necessary hearings and investigations in connection with its functions.

9.26           Subd. 8. **Insurance.** The authority may require any employee to obtain and file  
9.27 with the authority an individual bond or fidelity insurance policy. The authority may  
9.28 procure insurance in the amounts the authority considers necessary against liability of the  
9.29 authority and its officers and employees for personal injury or death and property damage  
9.30 or destruction, consistent with chapter 466, and against risks of damage to or destruction  
9.31 of any of its facilities, equipment, or other property.

9.32           Subd. 9. **Metropolitan Council review.** The acquisition and betterment of a  
9.33 stadium and the construction of the accompanying infrastructure, as provided herein, must  
9.34 be conducted pursuant to this chapter and are subject to sections 473.165 and 473.173.

10.1 Subd. 10. **Business Subsidy Act exemption.** Section 116J.994 does not apply to  
10.2 any transactions of the authority or other governmental entity related to the stadium or  
10.3 infrastructure or to any tenant or other users of the stadium or infrastructure.

10.4 Subd. 11. **Incidental powers.** In addition to the powers expressly granted in this  
10.5 chapter, the authority has all powers necessary or incidental thereto.

10.6 Subd. 12. **Authority review.** All agreements between the county and the team must  
10.7 be public and are subject to review, amendment, and approval by the authority.

10.8 **Sec. 10. [473J.09] STADIUM OPERATIONS.**

10.9 Subdivision 1. **Stadium operation.** The authority may own, develop, construct,  
10.10 equip, improve, operate, manage, maintain, and control the stadium, parking facilities, and  
10.11 related facilities constructed or acquired under this chapter. The stadium shall be operated  
10.12 in a first-class manner, similar to and consistent with that of other comparable NFL  
10.13 stadiums. The authority and team will jointly select an experienced management company  
10.14 or individual to manage the stadium on behalf of the authority and the team. Terms of a  
10.15 management contract may be negotiated between the team and authority, but must include:

10.16 (1) a provision granting the team operational control of matters related to NFL  
10.17 games;

10.18 (2) a provision granting operational control of matters related to non-NFL events to  
10.19 the authority;

10.20 (3) a provision requiring mutual agreement on selection of vendors; and

10.21 (4) a provision requiring mutual agreement on all other provisions.

10.22 Subd. 2. **Use agreements.** The authority may lease, license, or enter into use  
10.23 agreements and may fix, alter, charge, and collect rentals, fees, and charges for the use,  
10.24 occupation, and availability of part or all of any premises, property, or facilities under its  
10.25 ownership, operation, or control with the team and for purposes that will provide athletic,  
10.26 educational, cultural, commercial, or other entertainment, instruction, or activity for the  
10.27 citizens of Minnesota and visitors. The lease or use agreement may provide that the other  
10.28 contracting party has exclusive use of the premises at the times agreed upon, as well as  
10.29 the right to retain some or all revenues from ticket sales, suite licenses, concessions,  
10.30 advertising, naming rights, and other revenues derived from the stadium. The lease or  
10.31 use agreement with a team must provide for the payment by the team of an agreed-upon  
10.32 portion of operating and maintenance costs and expenses and provide other terms in  
10.33 which the authority and team agree. In no case may a lease or use agreement permit  
10.34 smoking in the stadium.

11.1 Subd. 3. **Operating expenses.** The authority must provide in the lease or use  
11.2 agreements with the team that the team pay for operating costs of the stadium except for  
11.3 costs associated with non-NFL events, which shall be paid by the authority. A lease or use  
11.4 agreement may include provisions for the payment of operating expenses and for a capital  
11.5 reserve. The authority shall agree to provide in the lease or use agreement for the team  
11.6 to receive all game-day revenues and suite revenues. The agreement shall provide that  
11.7 naming rights to the stadium are retained by the team, subject to the approval of the name  
11.8 or names by the authority. The agreement shall provide for the authority to receive all  
11.9 general ticket revenues from nonprofessional football games or events. The county shall  
11.10 pay the authority \$1,500,000 annually for operating expenses, beginning January 1, 2013,  
11.11 and this amount shall grow by an agreed-upon annual inflation rate thereafter.

11.12 Subd. 4. **Public access.** The authority will work to maximize access for public and  
11.13 amateur sports, community, and civic events and other public events in type and on terms  
11.14 consistent with those currently held at the Hubert H. Humphrey Metrodome, as defined  
11.15 in section 473.551, subdivision 9. The authority may provide that these events have  
11.16 exclusive use of the premises at agreed-upon times.

11.17 Subd. 5. **Municipal services.** The team shall be responsible for any and all costs  
11.18 incurred for municipal services, including but not limited to police and security, traffic  
11.19 control, fire prevention, emergency medical, street cleaning and trash removal, and other  
11.20 similar services provided for events held by the team. The city and county shall consult  
11.21 with the team and authority to determine appropriate public and private staffing levels for  
11.22 police and security, traffic control, fire prevention, emergency medical, street cleaning  
11.23 and trash removal, and other similar services based upon anticipated attendance for NFL  
11.24 games and any other events held at the stadium. If the city or county determines that a  
11.25 public safety issue exists with respect to a particular NFL game or event, the city and  
11.26 county shall have the right to determine and impose the staffing level for such event.  
11.27 Sponsors of civic, noncommercial events and uses shall be responsible for any and all  
11.28 incremental costs incurred for municipal services provided for its event.

11.29 **Sec. 11. [473J.11] LEASE OR USE AGREEMENT; CONDITIONS AND**  
11.30 **CRITERIA.**

11.31 Subdivision 1. **Scope.** The lease or use agreement or other transaction documents  
11.32 between the authority and the team shall include the criteria and conditions contained  
11.33 in this section.

11.34 Subd. 2. **Term.** The team will enter into a stadium lease or use agreement with the  
11.35 county or authority for a term of 30 years, with team options to extend the term.

12.1 Subd. 3. **Capital improvements.** (a) The authority shall be responsible for making,  
12.2 or for causing others to make, all capital repairs, replacements, and improvements for the  
12.3 stadium and parking facilities. The authority shall maintain or cause others to maintain  
12.4 the stadium and parking facilities in a safe, clean, attractive, and first class manner so  
12.5 as to cause them to remain in a condition comparable to that of other NFL facilities of  
12.6 similar design and age, ordinary wear and tear excepted. The authority shall maintain, or  
12.7 cause others to maintain, the stadium and parking facilities in a manner that is consistent  
12.8 with all applicable requirements imposed by the NFL, and with the original design and  
12.9 construction program of the stadium and parking facilities. The authority shall make, or  
12.10 cause others to make, all necessary or appropriate repairs, renewals, and replacements,  
12.11 whether structural or nonstructural, interior or exterior, ordinary or extraordinary, foreseen  
12.12 or unforeseen, in a prompt and timely manner.

12.13 (b) The county must contribute \$1,000,000 and the team must contribute \$2,000,000  
12.14 annually for the term of lease to the reserve fund. The team and county contributions are  
12.15 subject to an annual growth of three percent, or to an inflationary index, as determined  
12.16 by the authority; however, the amount of any increase in the county's contribution shall  
12.17 not exceed the annual amount of the increase in sales tax net proceeds collected in the  
12.18 county in each year. The county shall have no responsibility for any capital repairs,  
12.19 replacements, or improvements to the stadium and parking facilities beyond the annual  
12.20 contribution described herein.

12.21 (c) The team shall pay for any required capital repairs, replacements, and  
12.22 improvements in excess of the amounts available in the reserve fund. The reserve fund  
12.23 shall be used to fund all activities described in this paragraph but shall not be used to  
12.24 remedy design or specification deficiencies.

12.25 (d) The team and authority shall develop both a short-term and long-term capital  
12.26 funding plan, and shall use that plan to guide all future capital needs of the stadium project.

12.27 Subd. 4. **In-lieu rent; game day payments.** The team is responsible for operating  
12.28 expenses of the stadium and parking facilities in-lieu of rent. Non-NFL event expenses  
12.29 must be paid by the authority. The team shall pay all game-day expenses and shall pay for  
12.30 all required municipal services.

12.31 Subd. 5. **No escape.** The team shall play all regularly scheduled home games,  
12.32 including preseason and regular season, at the stadium for 30 years. The team shall  
12.33 not enter into a contractual arrangement with a public or private entity, other than the  
12.34 authority, to play any home games at a stadium location other than the stadium. However,  
12.35 the team shall have the ability to play occasional league mandated home games at a  
12.36 facility other than the stadium, or not more than one permitted specialty home game per

13.1 year at a facility other than the stadium. The lease or use agreement must include terms  
 13.2 for default, termination, and breach of the agreement. Recognizing that the presence of  
 13.3 professional football provides to the state of Minnesota and its citizens highly valued,  
 13.4 intangible benefits that are virtually impossible to quantify and, therefore, not recoverable  
 13.5 in the event of a team owner's breach of contract, the lease and use agreements must  
 13.6 provide for specific performance and injunctive relief to enforce provisions relating to use  
 13.7 of the stadium for professional football and must not include escape clauses or buyout  
 13.8 provisions. The team must not enter into or accept any agreement or requirement with or  
 13.9 from the NFL or any other entity that is not consistent with the team's binding commitment  
 13.10 to the 30-year term of the lease or use agreement or that would in any manner dilute,  
 13.11 interfere with, or negate the provisions of the lease or use agreement. The legislature  
 13.12 conclusively determines, as a matter of public policy, that the lease or use agreement under  
 13.13 this chapter that includes a specific performance clause:

- 13.14 (1) explicitly authorize specific performance as a remedy for breach;  
 13.15 (2) are made for adequate consideration and upon terms which are otherwise fair  
 13.16 and reasonable;  
 13.17 (3) have not been included through sharp practice, misrepresentation, or mistake;  
 13.18 (4) if specifically enforced, do not cause unreasonable or disproportionate hardship  
 13.19 or loss to the team or to third parties; and  
 13.20 (5) involve performance in a manner and the rendering of services of a nature and  
 13.21 under circumstances that the beneficiary cannot be adequately compensated in damages.

13.22 **Subd. 6. Public share if team is sold.** The lease or use agreement must provide that,  
 13.23 if the team is sold or an interest in the team is sold after the effective date of this chapter,  
 13.24 a portion of the sale price must be paid to the authority and deposited in a reserve fund  
 13.25 for improvements to the stadium or expended as the authority may otherwise direct. The  
 13.26 portion required to be so paid to the authority is at least 18 percent of the gross sale price,  
 13.27 declining to zero 15 years after commencement of stadium construction in increments  
 13.28 of 1.2 percent each year. The agreement must provide exceptions for sales to members  
 13.29 of the owner's family and entities and trusts beneficially owned by family members,  
 13.30 sales to employees of equity interests aggregating up to ten percent, and sales related to  
 13.31 capital infusions not distributed to the owners.

13.32 **Subd. 7. Authority's access to team financial information.** The lease or use  
 13.33 agreement or other transaction documents shall provide the authority access to annual  
 13.34 audited financial statements of the team and other financial books and records that the  
 13.35 authority deems necessary to determine compliance by the team with this act, and to  
 13.36 enforce the terms of any lease, license, or other transaction documents entered into under

14.1 this act. Any financial information obtained by the authority under this subdivision is  
14.2 nonpublic data under section 13.02, subdivision 9. This provision requires disclosure prior  
14.3 to initial agreement and annually thereafter.

14.4 Subd. 8. **Affordable NFL game tickets.** The lease, license, or other transaction  
14.5 documents shall provide for an agreed-upon number of affordable tickets.

14.6 Subd. 9. **LEED certification.** The authority shall make best efforts to ensure  
14.7 that the stadium receives Leadership in Energy and Environmental Design ("LEED")  
14.8 certification for environmental design.

14.9 Subd. 10. **Cooperation with financing.** The county and authority will cooperate  
14.10 with the team to facilitate the financing of the team's contribution. Such agreement  
14.11 to cooperate shall not require the county or authority to incur any additional costs or  
14.12 provide conduit financing. The lease, license, or other transaction documents shall include  
14.13 provisions customarily required by lenders in stadium financings.

14.14 Sec. 12. **[473J.13] ADDITIONAL CONSIDERATIONS, CONDITIONS, AND**  
14.15 **CRITERIA.**

14.16 Subdivision 1. **Corporate headquarters.** If the team elects to construct a new  
14.17 corporate headquarters or training complex, such development shall occur in the county.  
14.18 The team shall not make a significant investment that effectively constitutes a new  
14.19 corporate headquarters or training facility at the existing Winter Park facility, excluding  
14.20 maintenance, ordinary or necessary repairs, and substantial repair or replacement.

14.21 Subd. 2. **Special taxes and fees.** The county, city, or watershed will not impose any  
14.22 special taxes, fees, or other surcharges specific to the stadium, team, or team personnel,  
14.23 such as sales, admissions, parking, or other taxes. The county and state bonds will not  
14.24 be secured by the stadium or its revenues.

14.25 Subd. 3. **Contracts.** (a) A stadium design and construction group (SDCG) shall  
14.26 be established and shall be responsible for design and construction of the stadium. The  
14.27 authority, team, and county shall each appoint one member to the SDCG.

14.28 (b) The SDCG shall enter into an agreement with the authority, team, county,  
14.29 or any other entity relating to the construction, financing, and use of the stadium and  
14.30 related facilities and infrastructure. The SDCG may contract for materials, supplies, and  
14.31 equipment in accordance with sections 473.345, 473.754, and 473J.07, except that the  
14.32 SDCG may employ or contract with persons, firms, or corporations to perform one or  
14.33 more or all of the functions of architect, engineer, or construction manager with respect  
14.34 to all or any part of the stadium and infrastructure. The construction manager appointed  
14.35 by the SDCG may enter into contracts with contractors for labor, materials, supplies,

15.1 and equipment for the construction of the stadium and related infrastructure through the  
15.2 process of public bidding, except that the construction manager may, with the consent  
15.3 of the SDCG:

15.4 (1) narrow the listing of eligible bidders to those which the construction manager  
15.5 determines to possess sufficient expertise to perform the intended functions;

15.6 (2) award contracts to the contractors that the construction manager determines  
15.7 provide the best value, which are not required to be the lowest responsible bidder; and

15.8 (3) for work the construction manager determines to be critical to the completion  
15.9 schedule, award contracts on the basis of competitive proposals or perform work with  
15.10 its own forces without soliciting competitive bids if the construction manager provides  
15.11 evidence of competitive pricing.

15.12 (c) The SDCG shall require that the construction manager certify, before the contract  
15.13 is signed, a fixed and stipulated construction price and completion date to the authority  
15.14 and post a performance bond in an amount at least equal to 100 percent of the certified  
15.15 price, to cover any costs which may be incurred in excess of the certified price, including  
15.16 but not limited to costs incurred by the authority or loss of revenues resulting from  
15.17 incomplete construction on the completion date. The SDCG may secure surety bonds as  
15.18 provided in section 574.26, securing payment of just claims in connection with all public  
15.19 work undertaken by it. Persons entitled to the protection of the bonds may enforce them as  
15.20 provided in sections 574.28 to 574.32, and shall not be entitled to a lien on any property of  
15.21 the authority under the provisions of sections 514.01 to 514.16. Contracts for construction  
15.22 and operation of the stadium must include programs to provide for participation by small  
15.23 local businesses and businesses owned by people of color, and the inclusion of women and  
15.24 people of color in the workforces of contractors and stadium operators. The construction  
15.25 of the stadium is a "project" as that term is defined in section 177.42, subdivision 2, and is  
15.26 subject to the prevailing wage law under sections 177.41 to 177.43.

15.27 Subd. 4. **Hiring and recruitment.** The SDCG shall make every effort to employ  
15.28 women and members of minority communities when hiring. The SDCG shall make good  
15.29 faith efforts to engage qualified women, minority-owned, and small business enterprise  
15.30 contractors.

15.31 Subd. 5. **Other required agreements.** The team shall give food, beverage, retail,  
15.32 and concession workers presently employed by the team or its vendors at the Hubert  
15.33 H. Humphrey Metrodome the opportunity to continue their employment in comparable  
15.34 positions at the new stadium. Workers who are presently represented under a collective  
15.35 bargaining agreement may seek to continue such representation in the facility and  
15.36 designate such, or another collective bargaining unit, as their representative.

16.1 Subd. 6. **Team-related entities.** Subject to the prior approval of the SDCG, any  
16.2 of the obligations set forth herein that are related to stadium design, development,  
16.3 construction, operation, or management by the team may be performed by the team or a  
16.4 related entity, and the team or any entity related to the team may receive any revenues to  
16.5 which the team is entitled hereunder; provided, however, the team shall remain liable if  
16.6 any obligations are assigned to a related entity.

16.7 Subd. 7. **Changes.** Except as provided for in contracts approved by the SDCG, if  
16.8 any party requests a change in minimum design standards, and this change is responsible  
16.9 for requiring the project to exceed the stated budget, the requesting party is liable for  
16.10 any cost overruns or associated liabilities.

16.11 Sec. 13. **[473J.15] CRITERIA AND CONDITIONS.**

16.12 Subdivision 1. **Binding and enforceable.** In developing the stadium and entering  
16.13 into related contracts, the authority, and all bids submitted, must follow and enforce the  
16.14 criteria and conditions in this section, provided that a determination by the authority that  
16.15 those criteria or conditions have been met under any county agreement or otherwise  
16.16 shall be conclusive.

16.17 Subd. 2. **Stadium location.** The stadium will be located at the development area.  
16.18 The stadium is expected to be open and operational no later than June 2016.

16.19 Subd. 3. **Stadium owner.** The stadium will be owned by the stadium authority and  
16.20 the team will enter into a long-term lease or license agreement with the authority. The  
16.21 terms of the lease, license, or other transaction documents are discussed in this chapter.

16.22 Subd. 4. **Stadium design.** The roofed stadium shall be designed and constructed  
16.23 incorporating the following general program and design elements:

16.24 (a) The stadium shall comprise approximately 1,600,000 square feet with  
16.25 approximately 65,000 seats, expandable to 72,000. The stadium shall meet or exceed NFL  
16.26 program requirements, and include approximately 150 suites and approximately 7,500  
16.27 club seats.

16.28 (b) Space for team-related exhibitions and sales, which shall include the following:  
16.29 team museum and Hall of Fame, retail merchandise and gift shop retail venue, and themed  
16.30 concessions and restaurants.

16.31 (c) Space for administrative offices of the authority.

16.32 (d) Parking for approximately 21,000 cars and trucks including tailgate parking and  
16.33 premium parking area with a separate entrance/exit.

16.34 (e) Elements sufficient to provide community and civic uses as determined by the  
16.35 authority.

17.1 Subd. 5. **Stadium development.** The design, development, and construction of the  
17.2 stadium shall be a collaborative process between the authority, county, and team. The  
17.3 authority, county, and team shall establish a process to reach consensus on key elements of  
17.4 the stadium program and design, development, and construction.

17.5 Subd. 6. **Necessary approvals.** The authority and the team must jointly seek  
17.6 and shall secure any necessary approvals to the terms of the lease and the design and  
17.7 construction plans for the stadium, including prior approval of the NFL.

17.8 Sec. 14. **[473J.17] SITE ACQUISITION AND REMEDIATION.**

17.9 Subdivision 1. **Site acquisition.** The county will acquire the development area from  
17.10 the United States Army by the county on terms acceptable to the county, authority, and  
17.11 team. The county shall transfer to the authority the land necessary for the stadium project  
17.12 for no consideration. The team, or a related entity, will immediately thereafter acquire  
17.13 from the county the portion of land not required for the footprint of the stadium and  
17.14 stadium-related access, open green space, and parking spaces, such portion, "private  
17.15 land," and shall become the owner of the private land. The county is authorized to buy  
17.16 property from the Army and sell a portion directly to the team at the county's acquisition  
17.17 price per acre, notwithstanding any law, ordinance, or charter provision to the contrary.  
17.18 The team shall retain development rights for at least eight years following the opening of  
17.19 the stadium. If the team has not commenced development of the private land or provided  
17.20 the county with a reasonably acceptable plan to develop the private land within eight years  
17.21 after the opening of the stadium, the county shall have the option, but shall not be required,  
17.22 to purchase the private land from the team at the original price plus one dollar.

17.23 Subd. 2. **Site remediation.** As a condition of the purchase agreement for the  
17.24 development area, the United States Army must remediate the environmental conditions  
17.25 of the entire development area to a commercial industrial standard to the satisfaction of  
17.26 the county, the authority, and the state of Minnesota. If the proposed development of  
17.27 the private land requires a higher standard of remediation, the team shall pay the costs  
17.28 associated with such remediation. The purchase and other agreements regarding the  
17.29 development shall provide for the indemnification, protection, defense, and an undertaking  
17.30 to hold harmless the county, the authority, and the state and their officers, employees, and  
17.31 agents from liabilities, damages, losses, settlements, arbitration awards, expenses, costs,  
17.32 penalties, remediation or cleanup obligations, and reasonable attorney fees and costs at  
17.33 both the trial and appellate levels, that arise from or relate to the environmental condition  
17.34 or remediation of the development area, including but not limited to any remediation

18.1 obligations or environmental conditions not disclosed or known at the time the site was  
18.2 purchased by the county.

18.3 Subd. 3. **Cost allocation.** The costs to acquire the development area and costs of  
18.4 the environmental remediation will be allocated between the county and the team based  
18.5 on the number of acres owned by each after the private land is sold to the team or its  
18.6 affiliates. The county shall acquire from the United States Army approximately 430  
18.7 acres for the overall project. The team shall acquire approximately 170 acres from the  
18.8 county immediately after the county has closed on its purchase transaction with the United  
18.9 States Army. A mechanism will be provided in the county agreement that will allow  
18.10 for public access between the stadium site and private land. A mechanism will also be  
18.11 included in the county agreement to provide the team with flexibility in determining  
18.12 the final composition of the private land for purposes of locating the stadium land and  
18.13 development in the future, to be mutually agreed upon by the county and team and other  
18.14 key stakeholders, as appropriate. The authority shall determine the site of the stadium  
18.15 after consultation with the team and the county.

18.16 Sec. 15. [473J.19] COUNTY ACTIVITIES.

18.17 Subdivision 1. **Stadium grants and payments.** The county may authorize, by  
18.18 resolution, and make one or more grants or payments to the authority for stadium  
18.19 development and construction, infrastructure, reserves for capital improvements, operating  
18.20 cost payments, and other purposes related to the stadium on the terms and conditions  
18.21 agreed to by the county and the authority.

18.22 Subd. 2. **Property acquisition and disposition.** The county may acquire land, air  
18.23 rights, and other property interests within the development area for the stadium site and  
18.24 infrastructure by purchase or gift and convey it to the authority without consideration,  
18.25 prepare a site for development as a stadium, and acquire and construct any related  
18.26 infrastructure. To the extent property parcels or interests acquired are more extensive than  
18.27 the infrastructure requirements, the county may sell or otherwise dispose of the excess.  
18.28 The proceeds from sales of excess property must be used to reduce county and state  
18.29 contributions as specified in this act, on a pro rata basis.

18.30 Subd. 3. **Grant agreement.** The governing body of the county may delegate  
18.31 responsibility for implementing the terms of an approved grant agreement to a designated  
18.32 officer. The county may enforce the provisions of any grant agreement by specific  
18.33 performance. Except to require compliance with the conditions of the grant or as may be  
18.34 mutually agreed to by the county and the authority, the county and state have no interest in  
18.35 or claim to any assets or revenues of the authority.

19.1            Subd. 4. **Environmental review; planning and zoning.** (a) The county is the  
19.2 responsible governmental unit for an environmental impact statement for the stadium  
19.3 and accompanying infrastructure prepared under section 116D.04, if an environmental  
19.4 impact statement is necessary. Notwithstanding section 116D.04, subdivision 2b, and  
19.5 implementing rules: (1) the environmental impact statement shall not be required to  
19.6 consider alternative stadium sites; and (2) the environmental impact statement must be  
19.7 determined to be adequate before commencing work on the foundation of the stadium,  
19.8 but the stadium and infrastructure may otherwise be started and all preliminary and final  
19.9 government decisions and actions may be made and taken, including but not limited to  
19.10 acquiring land; obtaining financing; granting permits or other land use approvals; entering  
19.11 into grant, lease, or use agreements; and preparing the site, including environmental  
19.12 remediation, and related infrastructure prior to a determination of the adequacy of the  
19.13 environmental impact statement.

19.14            (b) In order to accomplish the objectives of this chapter within the required time  
19.15 frame, it is necessary to establish an alternative process for municipal land use and  
19.16 development review. It is hereby found and declared that the construction of a stadium  
19.17 within the development area is (1) consistent with the city's adopted comprehensive plan  
19.18 and the watershed district's water management plan, (2) is the preferred stadium location,  
19.19 and (3) is a permitted land use. This paragraph establishes a procedure for all land and  
19.20 water use and development reviews and approvals by the city and watershed district for  
19.21 the stadium and related infrastructure and supersedes all land use and development rules  
19.22 and restrictions and procedures imposed by other law, charter, or ordinance, including,  
19.23 without limitation, section 15.99 and chapters 103A to 103G. No later than 90 days after  
19.24 enactment, the city and county shall establish a stadium implementation committee with  
19.25 representation from the county, city, and watershed district to make recommendations on  
19.26 the design plans submitted for the stadium, infrastructure, and related improvements,  
19.27 including but not limited to street vacation, parking, roadways, walkways, skyways,  
19.28 pedestrian bridges, bicycle paths, transit improvements to facilitate public street access  
19.29 to the stadium and integration into the transportation plan for the municipality and the  
19.30 region, lighting, landscaping, utilities, streets, water management, drainage, environmental  
19.31 remediation, and land acquired and prepared for private redevelopment in a manner  
19.32 related to the use of the stadium. The implementation committee must take action to issue  
19.33 its recommendations within the time frames established in the planning and construction  
19.34 timetable issued by the city and watershed district which shall provide for no less than 60  
19.35 days for the committee's review. The recommendations of the implementation committee  
19.36 shall be forwarded to the city's planning commission for an advisory recommendation

20.1 and then to the city council for final action in a single resolution, which final action must  
20.2 be taken within 45 days of the submission after the recommendations to the planning  
20.3 commission. The watershed district must act within 60 days of the implementation  
20.4 committee's recommendation. The city council and watershed district shall not impose any  
20.5 unnecessary or unreasonable conditions on the recommendations of the implementation  
20.6 committee, nor take any action or impose any conditions that will result in delay from the  
20.7 time frames established in the planning and construction timetable or in additional overall  
20.8 costs. Failure of the city council and watershed district to act within the 60-day period is  
20.9 deemed to be approval by that entity of the implementation committee's recommendations.  
20.10 The district court or any appellate court shall expedite review of any case brought relating  
20.11 to the stadium to the maximum extent possible and timely issue relief, orders, or opinions  
20.12 as necessary to give effect to the provisions and objectives in this chapter.

20.13 Subd. 5. **County expenditure.** The county may make expenditures or grants for  
20.14 other costs incidental and necessary to further the purposes of this chapter and may, by  
20.15 agreement, reimburse in whole or in part any entity that has granted, loaned, or advanced  
20.16 funds to the county to further the purposes of this chapter. Notwithstanding any law,  
20.17 ordinance, or charter provision to the contrary, exercise by the county of its powers under  
20.18 this section does not affect the amounts that the county may otherwise spend, borrow,  
20.19 tax, or receive.

20.20 Subd. 6. **County authority.** The legislature intends that, except as expressly limited  
20.21 herein, the county may acquire and develop a site for the stadium and infrastructure,  
20.22 to enter into contracts with the authority and other governmental or nongovernmental  
20.23 entities, to appropriate funds, and to make employees, consultants, and other revenues  
20.24 available for those purposes.

20.25 **Sec. 16. [473J.21] SOURCES AND USES OF FUNDS.**

20.26 Subdivision 1. **Funding sources.** This subdivision summarizes the key components  
20.27 of the funding sources for the project. The parties shall work together and cooperate in  
20.28 good faith to identify additional funding sources.

20.29 (a) The team contribution shall be at least \$425,000,000, net of financing costs. This  
20.30 amount shall be paid within one year of the effective date of this act and held in escrow.  
20.31 The team shall provide a plan to finance its share of the cost allocations set out in the  
20.32 county/team agreement to the authority on a timely basis. The team shall provide a written,  
20.33 binding, bona fide commitment or commitments for the financing to the authority prior to  
20.34 the county issuing any bonds for the project. The team shall be permitted to assign any of  
20.35 its rights and obligations hereunder to its affiliates and as collateral to lenders for purposes

21.1 of obtaining financing, subject to the approval of the authority; provided, however, that the  
21.2 team shall remain liable for its obligations hereunder. The team contribution will consist  
21.3 of amounts contributed by the team, the NFL, personal seat license proceeds, and other  
21.4 private revenues generated by the project.

21.5 (b) The county will contribute \$10,000,000 annually, as funds are available, to  
21.6 the stadium project.

21.7 (c) The state shall contribute \$549,000,000, net of financing costs, to stadium  
21.8 construction. The state shall contribute \$101,000,000, net of financing costs, for  
21.9 public infrastructure necessary for stadium development. In no event shall the state's  
21.10 contribution, net of financing costs, exceed these amounts.

21.11 Subd. 2. **Cost overruns and project savings.** Except as provided in the county  
21.12 agreement, the team shall be responsible for cost overruns, if any, associated with the  
21.13 development of the stadium, and with off-site transportation, excluding parking. The  
21.14 county shall be responsible for cost overruns, if any, associated with certain infrastructure  
21.15 improvements, including surface parking and related interior circulation, as delineated  
21.16 and described in the county agreement. The infrastructure improvements shall be  
21.17 further delineated in the county agreement but shall not include off-site transportation  
21.18 infrastructure improvements. Notwithstanding any other cost-allocation provisions in this  
21.19 chapter, the team shall be responsible for 39.5 percent and the county shall be responsible  
21.20 for 60.5 percent of any cost overruns associated with site acquisition, remediation, and  
21.21 infrastructure costs. Project savings, if any, shall be allocated between the state, county,  
21.22 and team on a pro rata basis.

21.23 Sec. 17. **[473J.23] PROPERTY TAX EXEMPTION; SPECIAL ASSESSMENTS.**

21.24 Any real or personal property acquired, owned, leased, controlled, used, or occupied  
21.25 by the authority for any of the purposes of this chapter is acquired, owned, leased,  
21.26 controlled, used, and occupied for public, governmental, and municipal purposes, and is  
21.27 exempt from ad valorem taxation by the state or any political subdivision of the state;  
21.28 provided that the properties are subject to special assessments levied by a political  
21.29 subdivision for a local improvement in amounts proportionate to and not exceeding the  
21.30 special benefit received by the properties from the improvement. No possible use of  
21.31 any of the properties in any manner different from their use under this chapter may be  
21.32 considered in determining the special benefit received by the properties. Notwithstanding  
21.33 section 272.01, subdivision 2, or 273.19, real or personal property subject to a lease or use  
21.34 agreement between the authority and another person for uses related to the purposes of this  
21.35 chapter, including the operation of the stadium and related parking facilities, is exempt

22.1 from taxation regardless of the length of the lease or use agreement or the characteristics  
 22.2 of the entity leasing or using the property. This section, insofar as it provides an exemption  
 22.3 or special treatment, does not apply to any real property other than the stadium.

22.4 Sec. 18. **[473J.25] CITY REQUIREMENTS.**

22.5 At the request of the authority, the city shall issue intoxicating liquor licenses that  
 22.6 are reasonably requested for the premises of the stadium. These licenses are in addition to  
 22.7 the number authorized by law. All provisions of chapter 340A not inconsistent with this  
 22.8 section apply to the licenses authorized under this subdivision.

22.9 Sec. 19. **[473J.27] LOCAL SALES TAXES.**

22.10 No local sales or use tax may be imposed on sales at the stadium, except a general  
 22.11 sales tax permitted under section 297A.99.

22.12 Sec. 20. **[473J.29] METROPOLITAN SPORTS FACILITIES COMMISSION**  
 22.13 **ASSETS.**

22.14 Subdivision 1. **Sale.** Once the team stops playing home games at the Metrodome,  
 22.15 the Metropolitan Sports Facilities Commission shall sell the Metrodome property at public  
 22.16 sale for fair market value. Upon sale of the Metrodome property and after payment of all  
 22.17 outstanding obligations, not to include any payment to Hennepin County or the city of  
 22.18 Minneapolis, the Metropolitan Sports Facilities Commission shall pay the remainder of  
 22.19 the sale proceeds and any other remaining assets to the authority for its purposes.

22.20 Subd. 2. **Metropolitan Sports Facilities Commission abolished.** Upon transfer to  
 22.21 the authority of all assets of the Metropolitan Sports Facilities Commission in subdivision  
 22.22 1, the Metropolitan Sports Facilities Commission is abolished.

22.23 Sec. 21. **[473J.30] STADIUM APPROPRIATION BONDS.**

22.24 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this  
 22.25 section.

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

22.28 (1) money appropriated by law in any biennium for debt service due with respect  
 22.29 to obligations described in subdivision 2, paragraph (b);

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

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

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

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

23.4 Subd. 2. **Authority.** (a) Subject to the limitations of this subdivision, the  
23.5 commissioner of management and budget may sell and issue appropriation bonds of the  
23.6 state under this section to acquire and better, including design, construction, furnishing,  
23.7 and equipping, the stadium project under this chapter. Proceeds of the bonds must be  
23.8 credited to a special appropriation bond proceeds account in the state treasury. Net income  
23.9 from investment of the proceeds, as estimated by the commissioner, must be credited to  
23.10 the special appropriation bond proceeds account.

23.11 (b) Appropriation bonds may be sold and issued in amounts that, in the opinion of  
23.12 the commissioner, are necessary to provide sufficient funds for achieving the purposes  
23.13 authorized as provided under paragraph (a), and pay debt service, pay costs of issuance,  
23.14 make deposits to reserve funds, pay the costs of credit enhancement, or make payments  
23.15 under other agreements entered into under paragraph (d); provided, however, that bonds  
23.16 issued under this section shall not exceed \$650,000,000 in principal amount, excluding  
23.17 refunding bonds sold and issued under subdivision 4.

23.18 (c) Appropriation bonds may be issued in one or more series on the terms and  
23.19 conditions the commissioner determines to be in the best interests of the state, but the term  
23.20 on any series of bonds may not exceed 30 years.

23.21 (d) At the time of, or in anticipation of, issuing the appropriation bonds, and at any  
23.22 time thereafter, so long as the appropriation bonds are outstanding, the commissioner  
23.23 may enter into agreements and ancillary arrangements relating to the appropriation  
23.24 bonds, including but not limited to trust indentures, liquidity facilities, remarketing or  
23.25 dealer agreements, letter of credit agreements, insurance policies, guaranty agreements,  
23.26 reimbursement agreements, indexing agreements, or interest exchange agreements. Any  
23.27 payments made or received according to the agreement or ancillary arrangement shall be  
23.28 made from or deposited as provided in the agreement or ancillary arrangement. The  
23.29 determination of the commissioner included in an interest exchange agreement that the  
23.30 agreement relates to an appropriation bond shall be conclusive.

23.31 Subd. 3. **Form; procedure.** (a) Appropriation bonds may be issued in the form  
23.32 of bonds, notes, or other similar instruments, and in the manner provided in section  
23.33 16A.672. In the event that any provision of section 16A.672 conflicts with this section,  
23.34 this section shall control.

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

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

24.4 (d) Appropriation bonds may bear interest at a fixed or variable rate.

24.5 Subd. 4. **Refunding bonds.** The commissioner from time to time may issue  
24.6 appropriation bonds for the purpose of refunding any appropriation bonds then  
24.7 outstanding, including the payment of any redemption premiums on the bonds, any  
24.8 interest accrued or to accrue to the redemption date, and costs related to the issuance  
24.9 and sale of the refunding bonds. The proceeds of any refunding bonds may, in the  
24.10 discretion of the commissioner, be applied to the purchase or payment at maturity of the  
24.11 appropriation bonds to be refunded, to the redemption of the outstanding bonds on any  
24.12 redemption date, or to pay interest on the refunding bonds and may, pending application,  
24.13 be placed in escrow to be applied to the purchase, payment, retirement, or redemption.  
24.14 Any escrowed proceeds, pending such use, may be invested and reinvested in obligations  
24.15 that are authorized investments under section 11A.24. The income earned or realized on  
24.16 the investment may also be applied to the payment of the bonds to be refunded or interest  
24.17 or premiums on the refunded bonds, or to pay interest on the refunding bonds. After  
24.18 the terms of the escrow have been fully satisfied, any balance of the proceeds and any  
24.19 investment income may be returned to the general fund or, if applicable, the appropriation  
24.20 bond proceeds account for use in any lawful manner. All refunding bonds issued under  
24.21 this subdivision must be prepared, executed, delivered, and secured by appropriations in  
24.22 the same manner as the bonds to be refunded.

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

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

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

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

24.32 Subd. 6. **No full faith and credit; state not required to make appropriations.**  
24.33 The appropriation bonds are not public debt of the state, and the full faith, credit, and  
24.34 taxing powers of the state are not pledged to the payment of the appropriation bonds or to  
24.35 any payment that the state agrees to make under this section. Appropriation bonds shall  
24.36 not be obligations paid directly, in whole or in part, from a tax of statewide application

25.1 on any class of property, income, transaction, or privilege. Appropriation bonds shall be  
 25.2 payable in each fiscal year only from amounts that the legislature may appropriate for debt  
 25.3 service for any fiscal year, provided that nothing in this section shall be construed to  
 25.4 require the state to appropriate funds sufficient to make debt service payments with respect  
 25.5 to the bonds in any fiscal year.

25.6 Subd. 7. **Appropriation of proceeds.** The proceeds of appropriation bonds and  
 25.7 interest credited to the special appropriation bond proceeds account are appropriated to  
 25.8 the commissioner for payment of contract obligations under this chapter, as permitted by  
 25.9 state and federal law, and nonsalary expenses incurred in conjunction with the sale of  
 25.10 the appropriation bonds.

25.11 Subd. 8. **Appropriation for debt service.** The amount needed to pay principal and  
 25.12 interest on appropriation bonds issued under this section is appropriated each year to the  
 25.13 commissioner from the general fund subject to the repeal, unallotment under section  
 25.14 16A.152, or cancellation otherwise pursuant to subdivision 6.

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

25.16 Sec. 22. **APPROPRIATION.**

25.17 The Minnesota Stadium Authority shall be the recipient of all funds deposited in the  
 25.18 stadium account created under Minnesota Statutes 2010, section 473.5995, and shall use  
 25.19 those funds for the purposes of this act, including:

25.20 (1) debt service for appropriations bonds to be sold in an amount not to exceed  
 25.21 \$650,000,000, of which not more than \$549,000,000 may be used for stadium  
 25.22 development, and not more than \$101,000,000 may be used for public infrastructure  
 25.23 improvements; and

25.24 (2) The commissioner of management and budget may, in consultation with the  
 25.25 authority, reduce the amount of appropriation bonds sold, and substitute direct payment  
 25.26 of public infrastructure costs as allowed under article 5.

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

25.28 Sec. 23. **REPEALER.**

25.29 Minnesota Statutes 2010, sections 137.50, subdivision 5; 473.551; 473.552;  
 25.30 473.553, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13; 473.556, subdivisions  
 25.31 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, and 17; 473.561; 473.564, subdivisions 2  
 25.32 and 3; 473.572; 473.581; 473.592, subdivision 1; 473.595; 473.5955; 473.596; 473.598;  
 25.33 473.599; 473.5995; and 473.76, are repealed.

26.1 **EFFECTIVE DATE.** This section is effective upon the completion of the transfer  
 26.2 of the assets of the Metropolitan Sports Facilities Commission to the Minnesota Stadium  
 26.3 Authority under section 20.

26.4 Sec. 24. **EFFECTIVE DATE.**

26.5 Except as otherwise provided, this article is effective the day following final  
 26.6 enactment.

## 26.7 **ARTICLE 2**

### 26.8 **CONFORMING CHANGES**

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

26.10 Subd. 6. **Financial audits.** The legislative auditor shall audit the financial  
 26.11 statements of the state of Minnesota required by section 16A.50 and, as resources permit,  
 26.12 shall audit Minnesota State Colleges and Universities, the University of Minnesota, state  
 26.13 agencies, departments, boards, commissions, courts, and other state organizations subject  
 26.14 to audit by the legislative auditor, including the State Agricultural Society, Agricultural  
 26.15 Utilization Research Institute, Enterprise Minnesota, Inc., Minnesota Historical  
 26.16 Society, Labor Interpretive Center, Minnesota Partnership for Action Against Tobacco,  
 26.17 ~~Metropolitan Sports Facilities Commission~~, Metropolitan Airports Commission, and  
 26.18 Metropolitan Mosquito Control District. Financial audits must be conducted according to  
 26.19 generally accepted government auditing standards. The legislative auditor shall see that  
 26.20 all provisions of law respecting the appropriate and economic use of public funds are  
 26.21 complied with and may, as part of a financial audit or separately, investigate allegations  
 26.22 of noncompliance.

26.23 **EFFECTIVE DATE.** This section is effective January 1, 2015.

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

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

26.30 (a) a letter or other documentation from any person who makes inquiry to or who is  
 26.31 contacted by the facility regarding the availability of the facility for staging events;

26.32 (b) identity of firms and corporations which contact the facility;

- 27.1 (c) type of event which they wish to stage in the facility;  
 27.2 (d) suggested terms of rentals; and  
 27.3 (e) responses of authority staff to these inquiries.

27.4 **EFFECTIVE DATE.** This section is effective January 1, 2015.

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

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

27.9 (1) hotels;

27.10 (2) restaurants;

27.11 (3) bowling centers;

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

27.17 ~~(5) sports facilities located on land owned by the Metropolitan Sports Commission;~~  
 27.18 ~~and~~

27.19 ~~(6)~~ exclusive liquor stores.

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

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

27.30 (d) A city may issue an on-sale wine license and an on-sale malt liquor license to  
 27.31 a person who is the owner of a summer collegiate league baseball team, or to a person  
 27.32 holding a concessions or management contract with the owner, for beverage sales at a  
 27.33 ballpark or stadium located within the city for the purposes of summer collegiate league  
 27.34 baseball games at the ballpark or stadium, notwithstanding any law, local ordinance, or

28.1 charter provision. A license issued under this paragraph authorizes sales on all days of the  
28.2 week to persons attending baseball games at the ballpark or stadium.

28.3 **EFFECTIVE DATE.** This section is effective January 1, 2015.

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

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

28.6 (1) employees of the Minnesota Historical Society;

28.7 (2) employees of the State Horticultural Society;

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

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

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

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

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

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

28.23 (9) employees of the Minnesota Safety Council;

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

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

28.32 (12) judges of the Tax Court;

28.33 (13) personnel who were employed on June 30, 1992, by the University of  
28.34 Minnesota in the management, operation, or maintenance of its heating plant facilities,  
28.35 whose employment transfers to an employer assuming operation of the heating plant

29.1 facilities, so long as the person is employed at the University of Minnesota heating plant  
29.2 by that employer or by its successor organization;

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

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

29.8 (16) employees of the University of Minnesota unless excluded under subdivision  
29.9 2b, clause (3);

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

29.12 (18) employees of the Minnesota Government Engineers Council to whom section  
29.13 352.029 does not apply.

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

29.20 **EFFECTIVE DATE.** This section is effective January 1, 2015.

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

29.22 Subd. 5a. **Metropolitan agency.** "Metropolitan agency" means the Metropolitan  
29.23 Parks and Open Space Commission, and the Metropolitan Airports Commission, ~~and~~  
29.24 ~~Metropolitan Sports Facilities Commission.~~

29.25 **EFFECTIVE DATE.** This section is effective upon completion of the transfer.

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

29.27 **473.164 SPORTS, AIRPORT COMMISSIONS TO PAY COUNCIL COSTS.**

29.28 Subdivision 1. **Annually reimburse.** ~~The Metropolitan Sports Facilities~~  
29.29 ~~Commission and the Metropolitan Airports Commission~~ shall annually reimburse the  
29.30 council for costs incurred by the council in the discharge of its responsibilities relating to  
29.31 the commission. The costs may be charged against any revenue sources of the commission  
29.32 as determined by the commission.

30.1 Subd. 2. **Estimates, budget, transfer.** On or before May 1 of each year, the council  
 30.2 shall transmit to ~~each~~ the commission an estimate of the costs which the council will  
 30.3 incur in the discharge of its responsibilities related to the commission in the next budget  
 30.4 year including, without limitation, costs in connection with the preparation, review,  
 30.5 implementation and defense of plans, programs and budgets of the commission. ~~Each~~ The  
 30.6 commission shall include the estimates in its budget for the next budget year and may  
 30.7 transmit its comments concerning the estimated amount to the council during the budget  
 30.8 review process. Prior to December 15 of each year, the amount budgeted by ~~each~~ the  
 30.9 commission for the next budget year may be changed following approval by the council.  
 30.10 During each budget year, the commission shall transfer budgeted funds to the council in  
 30.11 advance when requested by the council.

30.12 Subd. 3. **Final statement.** At the conclusion of each budget year, the council, in  
 30.13 cooperation with ~~each~~ the commission, shall adopt a final statement of costs incurred by the  
 30.14 council for ~~each~~ the commission. Where costs incurred in the budget year have exceeded  
 30.15 the amount budgeted, ~~each~~ the commission shall transfer to the council the additional  
 30.16 moneys needed to pay the amount of the costs in excess of the amount budgeted, and shall  
 30.17 include a sum in its next budget. Any excess of budgeted costs over actual costs may be  
 30.18 retained by the council and applied to the payment of budgeted costs in the next year.

30.19 **EFFECTIVE DATE.** This section is effective upon completion of the transfer.

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

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

30.24 **ARTICLE 3**

30.25 **DEVELOPMENT**

30.26 Section 1. **[383A.94] TWIN CITIES ARMY AMMUNITIONS PLANT (TCAAP)**  
 30.27 **DEVELOPMENT CORPORATION TAX INCREMENT FINANCING POWERS.**

30.28 Subdivision 1. **Exclusive authority.** This section provides the exclusive authority  
 30.29 to establish and use tax increment financing within the area of the development site and  
 30.30 except as authorized in this section, no authority or city may establish a tax increment  
 30.31 financing district within the area of the development site.

30.32 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the  
 30.33 meanings given them, unless the context clearly indicates otherwise.

31.1 (b) "Act" or "tax increment act" means the tax increment financing statute, sections  
31.2 469.174 to 469.178.

31.3 (c) "Development site" means the area located in the city of Arden Hills, described  
31.4 in the TCAAP Boundary Survey dated December 12, 2007, by W. Brown Land Surveying,  
31.5 Inc.

31.6 (d) The terms defined in section 469.174 have the meanings given in that section.

31.7 Subd. 3. **Authority to use TIF powers.** (a) The corporation established in section  
31.8 383A.93 may establish one or more tax increment financing districts within the area of the  
31.9 development site to assist in: (1) financing the professional football stadium and related  
31.10 public infrastructure, (2) remediation of hazardous substances, and (3) development and  
31.11 financing of commercial, industrial, or housing improvements, or any combination of the  
31.12 improvements on the development site to allow its appropriate use and to aid in carrying  
31.13 out the purposes under clauses (1) and (2). Except as otherwise provided in subdivision  
31.14 4, the provisions of the tax increment act apply and the corporation is deemed to be the  
31.15 authority and the county is the municipality for purposes of any tax increment financing  
31.16 districts established and exercising powers and carrying out duties under this act.

31.17 (b) For purposes of this section, the corporation may exercise any of the powers of a  
31.18 housing and redevelopment authority under sections 469.001 to 469.047, an economic  
31.19 development authority under sections 469.090 to 469.1082, a city under sections 469.124  
31.20 to 469.134, and a municipality under sections 469.152 to 469.1655. This grant of authority  
31.21 does not include the power to levy or to request the levy of property taxes under section  
31.22 469.033 or 469.107 or to issue general obligation bonds under section 469.034 or 469.102.

31.23 Subd. 4. **Special rules.** The following special rules apply to any tax increment  
31.24 financing district established under this section, notwithstanding the requirements of  
31.25 this act:

31.26 (1) each district, unless designated as a housing district, is deemed to be a  
31.27 redevelopment district without regard to the definition under section 469.174, subdivision  
31.28 10;

31.29 (2) the restrictions under section 469.1763 do not apply; and

31.30 (3) increments may only be spent for improvements within, remediation of  
31.31 hazardous substance on or in, or to provide access to, the development site for the purpose  
31.32 of assisting in financing and construction of the professional football stadium and related  
31.33 public infrastructure and for administrative expenses as permitted by the tax increment act.  
31.34 This includes authority to spend increments for the purposes of facilitating or encouraging  
31.35 development, if the corporation finds that will assist in providing financing for or other aid  
31.36 for the professional football stadium and related infrastructure.

32.1 Subd. 5. **Expiration.** The authority to form a tax increment financing district under  
 32.2 this section expires on December 31, .....

32.3 Subd. 6. **Transfer.** An amount not to exceed \$10,000,000 in any given year shall  
 32.4 be annually transferred from Ramsey County, if available from the tax increment district  
 32.5 created under this act, to the stadium fund created under section 473.5995.

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

## 32.7 **ARTICLE 4**

### 32.8 **ELECTRONIC PULL-TABS AND BINGO**

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

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

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

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

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

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

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

32.30 Subd. 6a. **Booth operation.** "Booth operation" means a method of selling and  
 32.31 redeeming disposable gambling equipment by an employee of a licensed organization in

33.1 a premises the organization leases or owns ~~where such sales and redemptions are made~~  
 33.2 ~~within a separate enclosure that is distinct from areas where food and beverages are sold.~~

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

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

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

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

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

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

33.15 (4) play against other bingo players;

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

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

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

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

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

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

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

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

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

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

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

33.33 (c) allows a player the option to activate the opening of:

33.34 (1) all tabs of a ticket at the same time; or

- 34.1 (2) each tab of a ticket separately;  
 34.2 (d) records and maintains information pertaining to accumulated win credits that  
 34.3 may be applied to games in play or redeemed upon termination of play;  
 34.4 (e) has no spinning symbols or other representations that mimic a video slot machine;  
 34.5 (f) has no additional function as a gambling device;  
 34.6 (g) may incorporate an amusement game feature as part of the pull-tab game but  
 34.7 may not require additional consideration for that feature or contain or award any points,  
 34.8 prizes, or other benefit for that feature;  
 34.9 (h) may have auditory or visual enhancements to promote or provide information  
 34.10 about the game being played, provided the component does not affect the outcome of  
 34.11 a game or display the results of a game;  
 34.12 (i) maintains, on nonresettable meters, a printable, permanent record of all  
 34.13 transactions involving each device and electronic pull-tab games played on the device; and  
 34.14 (j) is not a pull-tab dispensing device as defined under subdivision 32a.

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

34.17 Subd. 12c. **Electronic pull-tab game.** "Electronic pull-tab game" means a pull-tab  
 34.18 game containing:

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

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

34.31 Subd. 12d. **Electronic pull-tab game system.** "Electronic pull-tab game system"  
 34.32 means the equipment leased from a licensed distributor and used by a licensed organization  
 34.33 to conduct, manage, and record electronic pull-tab games, and to report and transmit the  
 34.34 game results as prescribed by the board and the Department of Revenue. The system must

35.1 provide security and access levels sufficient so that internal control objectives are met as  
 35.2 prescribed by the board. The system must contain a point of sale station.

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

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

35.6 (a) Disposable gambling equipment includes the following:

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

35.9 (2) paper and electronic pull-tabs;

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

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

35.12 (5) tipboards, and tipboard tickets; and

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

35.16 (b) Permanent gambling equipment includes the following:

35.17 (1) devices for selecting bingo numbers;

35.18 (2) electronic bingo devices;

35.19 (3) electronic pull-tab devices;

35.20 (4) pull-tab dispensing devices;

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

35.23 (6) paddle wheels; and

35.24 (7) paddle wheel tables.

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

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

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

35.31 Subd. 25c. **Linked bingo game system.** "Linked bingo game system" means the  
 35.32 equipment used by the linked bingo provider to conduct, transmit, and track a linked  
 35.33 bingo game. The system must be approved by the board before its use in this state and

36.1 it must have ~~dial-up or other~~ the capability to permit the board to electronically monitor  
 36.2 its operation remotely. For linked electronic bingo games, the system includes electronic  
 36.3 bingo devices.

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

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

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

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

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

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

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

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

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

36.26 **349.13 LAWFUL GAMBLING.**

36.27 Lawful gambling is not a lottery or gambling within the meaning of sections 609.75  
 36.28 to 609.76 if it is conducted under this chapter. A pull-tab dispensing device, electronic  
 36.29 bingo device, and electronic pull-tab device permitted under this chapter and by board  
 36.30 rule is not a gambling device within the meaning of sections 609.75 to 609.76 and chapter  
 36.31 299L. An electronic game device allowed under this chapter may not be a slot machine.

37.1 Electronic game devices, including but not limited to electronic bingo devices, electronic  
 37.2 paddle wheels, and electronic pull-tab devices authorized under this chapter, may only  
 37.3 be used in the conduct of lawful gambling permitted under this chapter and board rule  
 37.4 and may not display or simulate any other form of gambling or entertainment, except  
 37.5 as otherwise allowed under this chapter.

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

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

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

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

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

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

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

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

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

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

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

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

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

37.32 (b) The board, or the director if authorized by the board, may require the deactivation  
 37.33 of an electronic bingo device for violation of a law or rule and to implement any other

38.1 controls deemed necessary to ensure and maintain the integrity of electronic bingo devices  
 38.2 and the electronic bingo games played on the devices.

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

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

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

38.10 (c) Before authorizing the lease or sale of electronic pull-tab devices and the  
 38.11 electronic pull-tab game system, the board shall examine electronic pull-tab devices  
 38.12 allowed under section 349.12, subdivision 12b. The board may contract for the  
 38.13 examination of the game system and electronic pull-tab devices and may require a working  
 38.14 model to be transported to locations the board designates for testing, examination, and  
 38.15 analysis. The manufacturer must pay all costs of any testing, examination, analysis, and  
 38.16 transportation of the model. The system must be approved by the board before its use in  
 38.17 the state and must have the capability to permit the board to electronically monitor its  
 38.18 operation and internal accounting systems.

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

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

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

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

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

38.32 (2) sell, offer for sale, or furnish gambling equipment for use within the state without  
 38.33 having obtained a distributor license or a distributor salesperson license under this section  
 38.34 except that an organization authorized to conduct bingo by the board may loan bingo

39.1 hard cards and devices for selecting bingo numbers to another organization authorized to  
 39.2 conduct bingo and a linked bingo game provider may provide electronic bingo devices for  
 39.3 linked electronic bingo games;

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

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

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

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

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

39.15 Subd. 5. **Prohibition.** (a) No distributor, distributor salesperson, or other employee  
 39.16 of a distributor, may also be a wholesale distributor of alcoholic beverages or an employee  
 39.17 of a wholesale distributor of alcoholic beverages.

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

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

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

39.30 (e) No distributor, distributor salesperson, or any representative, agent, affiliate, or  
 39.31 other employee of a distributor may participate in any gambling activity at any gambling  
 39.32 site or premises where gambling equipment purchased or leased from that distributor or  
 39.33 distributor salesperson is being used in the conduct of lawful gambling.

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

40.4 (g) No distributor, distributor salesperson, or any representative, agent, affiliate, or  
40.5 other employee of a distributor may: (1) recruit a person to become a gambling manager  
40.6 of an organization or identify to an organization a person as a candidate to become  
40.7 gambling manager for the organization; or (2) identify for an organization a potential  
40.8 gambling location.

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

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

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

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

40.23 Subd. 5. **Sales from facilities.** (a) All gambling equipment purchased or possessed  
40.24 by a licensed distributor for resale or lease to any person for use in Minnesota must, prior  
40.25 to the equipment's resale or lease, be unloaded into a storage facility located in Minnesota  
40.26 which the distributor owns or leases; and which has been registered, in advance and in  
40.27 writing, with the Division of Alcohol and Gambling Enforcement as a storage facility of  
40.28 the distributor. All unregistered gambling equipment and all unaffixed registration stamps  
40.29 owned by, or in the possession of, a licensed distributor in the state of Minnesota shall be  
40.30 stored at a storage facility which has been registered with the Division of Alcohol and  
40.31 Gambling Enforcement. No gambling equipment may be moved from the facility unless  
40.32 the gambling equipment has been first registered with the board or the Department of  
40.33 Revenue. A distributor must notify the board of the method that it will use to sell and  
40.34 transfer electronic pull-tab games to licensed organizations, and must receive approval of  
40.35 the board before implementing or making changes to the approved method.

41.1 (b) Notwithstanding section 349.163, subdivisions 5, 6, and 8, a licensed  
41.2 manufacturer may ship into Minnesota approved or unapproved gambling equipment if the  
41.3 licensed manufacturer ships the gambling equipment to a Minnesota storage facility that  
41.4 is: (1) owned or leased by the licensed manufacturer; and (2) registered, in advance and  
41.5 in writing, with the Division of Alcohol and Gambling Enforcement as a manufacturer's  
41.6 storage facility. No gambling equipment may be shipped into Minnesota to the  
41.7 manufacturer's registered storage facility unless the shipment of the gambling equipment  
41.8 is reported to the Department of Revenue in a manner prescribed by the department.  
41.9 No gambling equipment may be moved from the storage facility unless the gambling  
41.10 equipment is sold to a licensed distributor and is otherwise in conformity with this chapter,  
41.11 is shipped to an out-of-state site and the shipment is reported to the Department of  
41.12 Revenue in a manner prescribed by the department, or is otherwise sold and shipped as  
41.13 permitted by board rule. A manufacturer must notify the board of the method that it will  
41.14 use to sell and transfer electronic pull-tab games to licensed distributors, and must receive  
41.15 approval of the board before implementing or making changes to the approved method.

41.16 (c) All storage facilities owned, leased, used, or operated by a licensed distributor  
41.17 or manufacturer may be entered upon and inspected by the employees of the Division of  
41.18 Alcohol and Gambling Enforcement, the Division of Alcohol and Gambling Enforcement  
41.19 director's authorized representatives, employees of the Gambling Control Board or its  
41.20 authorized representatives, employees of the Department of Revenue, or authorized  
41.21 representatives of the director of the Division of Special Taxes of the Department of  
41.22 Revenue during reasonable and regular business hours. Obstruction of, or failure to  
41.23 permit, entry and inspection is cause for revocation or suspension of a manufacturer's or  
41.24 distributor's licenses and permits issued under this chapter.

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

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

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

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

41.34 Subdivision 1. **License required.** No manufacturer of gambling equipment may  
41.35 sell any gambling equipment to any person for use or resale within the state, unless the

42.1 manufacturer has a current and valid license issued by the board under this section and has  
 42.2 satisfied other criteria prescribed by the board by rule. A manufacturer licensed under this  
 42.3 section may also be licensed as a linked bingo game provider under section 349.1635.

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

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

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

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

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

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

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

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

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

42.33 – an outline of Minnesota with letters "MN" inside it is imprinted on this sheet, and  
 42.34 – the serial number imprinted on the bar code at the bottom of this sheet is the same  
 42.35 as the serial number on the pull-tab (or tipboard) ticket you have purchased."

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

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

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

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

43.17 (c) The board may require samples of gambling equipment to be tested by an  
 43.18 independent testing laboratory prior to submission to the board for approval. All costs  
 43.19 of testing by an independent testing laboratory must be borne by the manufacturer. An  
 43.20 independent testing laboratory used by a manufacturer to test samples of gambling  
 43.21 equipment must be approved by the board before the equipment is submitted to the  
 43.22 laboratory for testing.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

44.24 **Subd. 6. Conduct of bingo.** The price of a face played on an electronic bingo  
 44.25 device may not be less than the price of a face on a bingo paper sheet sold for the same  
 44.26 game at the same occasion. A game of bingo begins with the first letter and number called  
 44.27 or displayed. Each player must cover, mark, or activate the numbers when bingo numbers  
 44.28 are randomly selected, ~~and announced, and or displayed to the players, either manually~~  
 44.29 ~~or with a flashboard and monitor.~~ The game is won when a player, using bingo paper,  
 44.30 bingo hard card, or a facsimile of a bingo paper sheet, has completed, as described in the  
 44.31 bingo program, a previously designated pattern or previously determined requirements  
 44.32 of the game and declared bingo. The game is completed when a winning card, sheet, or  
 44.33 facsimile is verified and a prize awarded pursuant to subdivision 3.

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

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

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

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

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

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

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

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

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

45.21 (d) The board may adopt rules to:

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

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

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

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

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

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

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

46.1 (a) The permitted premises must be:

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

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

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

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

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

46.10 and

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

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

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

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

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

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

46.24 **349.1721 CONDUCT OF PULL-TABS.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

47.32 (f) Electronic pull-tab games may be commingled if the games are from the same  
47.33 family of games and manufacturer and contain the same game name, form number, type  
47.34 of game, ticket count, prize amounts, and prize denominations. Each commingled game  
47.35 must have a unique serial number.

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

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

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

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

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

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

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

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

48.30 (ii) ~~in any month where the organization's gross profit at those premises exceeds~~  
 48.31 ~~\$4,000, up to \$400 plus not more than ten percent of the gross profit for that month in~~  
 48.32 ~~excess of \$4,000;~~

48.33 (2) For bar operations, ~~including bar operations where a pull-tab dispensing device~~  
 48.34 ~~is located but not including bar operations subject to clause (1), and for locations where~~

49.1 ~~only a pull-tab dispensing device is located;~~ monthly rent may not exceed 15 percent of  
 49.2 the gross profits for that month.

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

49.5 ~~(ii) in any month where the organization's gross profit at those premises exceeds~~  
 49.6 ~~\$1,000, up to \$200 plus not more than 20 percent of the gross profit for that month~~  
 49.7 ~~in excess of \$1,000;~~

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

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

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

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

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

49.22 ~~(1) (4) For bingo conducted at a leased premises where the primary business is~~  
 49.23 ~~bingo, rent is limited to either not more than ten percent of the monthly gross profit from~~  
 49.24 ~~all lawful gambling activities held during bingo occasions, excluding bar bingo or at a~~  
 49.25 ~~rate based on a cost per square foot not to exceed 110 percent of a comparable cost per~~  
 49.26 ~~square foot for leased space as approved by the director; and~~

49.27 ~~(2) (5) No rent may be paid for bar bingo as defined in section 349.12, subdivision 3c.~~

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

49.30 ~~(d) (c)~~ (c) Amounts paid as rent under leases are all-inclusive. No other services or  
 49.31 expenses provided or contracted by the lessor may be paid by the organization, including,  
 49.32 but not limited to, trash removal, janitorial and cleaning services, snow removal, lawn  
 49.33 services, electricity, heat, security, security monitoring, storage, and other utilities or  
 49.34 services, and, in the case of bar operations, cash shortages, unless approved by the  
 49.35 director. The lessor shall be responsible for the cost of any communications network or  
 49.36 service required to conduct electronic pull-tab games or electronic bingo games. Any

50.1 other expenditure made by an organization that is related to a leased premises must be  
 50.2 approved by the director. For bar operations, the lessor is responsible for cash shortages.  
 50.3 An organization may not provide any compensation or thing of value to a lessor or the  
 50.4 lessor's employees from any fund source other than its gambling account. Rent payments  
 50.5 may not be made to an individual.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

51.28 (e) Expenditures of gross profits from lawful gambling for local, state, and federal  
 51.29 taxes as identified in section 349.12, subdivision 25, paragraph (a), clause (8), may be  
 51.30 transferred electronically from the organization's gambling account directly to bank  
 51.31 accounts identified by local, state, or federal agencies if the organization's gambling  
 51.32 account monthly bank statement specifically identifies the payee by name, the amount  
 51.33 transferred, and the date of the transaction.

51.34 (f) Expenditures of gross profits from lawful gambling for payments for lawful  
 51.35 purpose expenditures and allowable expenses may be transferred electronically from the

52.1 organization's gambling account directly to bank accounts identified by the vendor if the  
 52.2 organization's gambling account monthly bank statement specifically identifies the payee  
 52.3 by name, the amount transferred, the account number of the account into which the funds  
 52.4 were transferred, and the date of the transaction.

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

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

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

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

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

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

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

52.20 Subd. 5. **Reports.** (a) A licensed organization must report monthly to the  
 52.21 Department of Revenue board in an electronic format prescribed by the board and to its  
 52.22 membership monthly, or quarterly in the case of a licensed organization which does not  
 52.23 report more than \$1,000 in gross receipts from lawful gambling in any calendar quarter,  
 52.24 on its gross receipts, expenses, profits, and expenditure of profits from lawful gambling  
 52.25 for each permitted premises. The organization must account for and report on each form  
 52.26 of lawful gambling conducted. The report organization must include a reconciliation of  
 52.27 the organization's profit carryover with its cash balance on hand. If the organization  
 52.28 conducts both bingo and other forms of lawful gambling, the figures for both must be  
 52.29 reported separately.

52.30 (b) The organization must report annually to its membership and annually file with  
 52.31 the board a financial summary report in a format prescribed by the board that identifies the  
 52.32 organization's receipts and use of lawful gambling proceeds, including: monthly to the  
 52.33 commissioner of revenue as required under section 297E.06.

52.34 (1) gross receipts;

52.35 (2) prizes paid;

53.1 ~~(3) allowable expenses;~~  
 53.2 ~~(4) lawful purpose expenditures, including annual totals for types of charitable~~  
 53.3 ~~contributions and all taxes and fees as per section 349.12, subdivision 25, paragraph~~  
 53.4 ~~(a), clauses (8) and (18);~~  
 53.5 ~~(5) the percentage of annual gross profits used for charitable contributions; and~~  
 53.6 ~~(6) the percentage of annual gross profits used for all taxes and fees as per section~~  
 53.7 ~~349.12, subdivision 25, paragraph (a), clauses (8) and (18).~~

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

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

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

53.19 (c) The board shall:

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

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

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

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

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

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

54.4 ~~(2)~~ (3) no organization may award more than \$200 for a linked bingo game  
 54.5 consolation prize. For purposes of this subdivision, a linked bingo game consolation  
 54.6 prize is a prize awarded by an organization after a prize from the linked bingo prize pool  
 54.7 has been won; ~~and~~

54.8 ~~(3)~~ (4) for a progressive linked bingo game, if no player declares a valid bingo  
 54.9 ~~within the~~ for a progressive prize or prizes based on a predetermined amount of bingo  
 54.10 ~~numbers called and posted win determination,~~ a portion of the ~~prize is~~ gross receipts  
 54.11 may be carried over to another occasion game until the accumulated progressive prize  
 54.12 is won. The portion of the prize that is not carried over must be awarded to the first  
 54.13 player or players who declares a valid bingo as additional numbers are called. If a valid  
 54.14 bingo is declared within the predetermined amount of bingo numbers called, the entire  
 54.15 prize pool for that game is awarded to the winner. ~~The annual limit for progressive bingo~~  
 54.16 ~~game prizes contained in subdivision 2 must be reduced by the amount an organization~~  
 54.17 ~~contributes to progressive linked bingo games during the same calendar year; and~~

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

54.22 Sec. 40. Minnesota Statutes 2010, section 349.2127, subdivision 2, is amended to read:

54.23 Subd. 2. **Prohibition against possession.** (a) A person is guilty of a crime who sells,  
 54.24 offers for sale, or possesses a pull-tab or tipboard deal or paddle ticket cards not stamped  
 54.25 or bar coded in accordance with the provisions of this chapter or chapter 297E. A violation  
 54.26 of this paragraph is a gross misdemeanor if it involves ten or fewer pull-tab or tipboard  
 54.27 deals. A violation of this paragraph is a felony if it involves more than ten pull-tab or  
 54.28 tipboard deals, or a combination of more than ten deals of pull-tabs and tipboards.

54.29 (b) A person, other than a licensed manufacturer, a licensed distributor, or an  
 54.30 organization licensed or exempt or excluded from licensing under this chapter, is guilty of  
 54.31 a crime who sells, offers to sell, or possesses gambling equipment. A violation of this  
 54.32 paragraph is a gross misdemeanor if it involves ten or fewer pull-tab or tipboard deals.  
 54.33 A violation of this paragraph is a felony if it involves more than ten pull-tab or tipboard  
 54.34 deals, or a combination of more than ten deals of pull-tabs and tipboards.

55.1 (c) A person is guilty of a crime who alters, modifies, or counterfeits pull-tabs,  
55.2 tipboards, or tipboard tickets, or possesses altered, modified, or counterfeit pull-tabs,  
55.3 tipboards, or tipboard tickets. A violation of this paragraph is a gross misdemeanor if  
55.4 the total face value for all such pull-tabs, tipboards, or tipboard tickets does not exceed  
55.5 \$200. A violation of this paragraph is a felony if the total face value exceeds \$200. For  
55.6 purposes of this paragraph, the face value of all pull-tabs, tipboards, and tipboard tickets  
55.7 altered, modified, or counterfeited within a six-month period may be aggregated and the  
55.8 defendant charged accordingly.

55.9 (d) A person, other than a licensed distributor or licensed manufacturer, is guilty of a  
55.10 crime who possesses a pull-tab or tipboard deal for which the person, upon demand of  
55.11 a licensed peace officer or authorized agent of the commissioner of revenue or director  
55.12 of alcohol and gambling enforcement, does not immediately produce for inspection the  
55.13 invoice or a true and correct copy of the invoice for the acquisition of the deal from a  
55.14 licensed distributor. A violation of this paragraph is a gross misdemeanor if it involves  
55.15 ten or fewer pull-tab or tipboard deals. A violation of this paragraph is a felony if it  
55.16 involves more than ten pull-tab or tipboard deals, or a combination of more than ten deals  
55.17 of pull-tabs and tipboards. This paragraph does not apply to pull-tab and tipboard deals  
55.18 being transported in interstate commerce between locations outside this state.

55.19 (e) A person, other than a licensed distributor, licensed linked bingo game provider,  
55.20 or licensed manufacturer, who removes or possesses an electronic bingo device or  
55.21 electronic pull-tab device from a licensed organization is guilty of a felony.

55.22 Sec. 41. **APPROPRIATION.**

55.23 (a) \$72,000,000 from the general fund is annually appropriated to the stadium  
55.24 account created under Minnesota Statutes 2010, section 473.5995, for the payment of  
55.25 bonds authorized under this act. This appropriation shall be made for a term to be  
55.26 determined by the commissioner of management and budget, not to exceed the time  
55.27 necessary to complete payments on the bonds.

55.28 (b) The commissioner of management and budget shall determine the annual  
55.29 funds available from all sources, including electronic bingo and pull-tabs, tax increment  
55.30 contributions from Ramsey County, and transportation funds, and shall be authorized to  
55.31 allow the authority to use all funds made available under paragraph (a) for any of the  
55.32 stated purposes of this act.

55.33 (c) Any residual funds appropriated under paragraph (a) that are not, in the estimation  
55.34 of the commissioner, needed for the purposes of paragraph (b), shall be transferred  
55.35 annually to the commissioner of revenue. The commissioner of revenue shall establish a

56.1 rebate program, which shall return the funds available under this paragraph to licensed  
56.2 lawful gambling organizations, according to the relative amount of taxes paid in the last  
56.3 prior calendar year by each organization licensed under Minnesota Statutes, chapter 349.

## 56.4 **ARTICLE 5**

### 56.5 **REGIONAL STADIUM FINANCE**

56.6 Section 1. Minnesota Statutes 2010, section 297A.992, is amended by adding a  
56.7 subdivision to read:

56.8 Subd. 5a. **Temporary allocations.** (a) Notwithstanding the provisions of this  
56.9 section except subdivision 6a, clause (1), of the revenue collected under this section, the  
56.10 joint powers board shall:

56.11 (1) allocate to the Metropolitan Council, in fiscal year 2012, an amount not less  
56.12 than 75 percent of the net cost of operations for those transit ways that were receiving  
56.13 metropolitan sales tax funds through an operating grant agreement on June 30, 2011; and

56.14 (2) allocate to the commissioner of management and budget all available funds,  
56.15 annually until the total amount allocated equals \$101,000,000, or until the commissioner  
56.16 determines that sufficient funds have been transferred to cover the debt service obligations  
56.17 of the state, in the event that appropriations bonds are sold by the state in the amount of  
56.18 \$101,000,000.

56.19 (b) The Metropolitan Council shall expend any funds allocated to it under paragraph  
56.20 (a) for the operations of the specified transit ways solely within those counties that are in  
56.21 the metropolitan transportation area.

56.22 (c) Nothing in paragraph (a) or (b) prevents grant awards to the Metropolitan  
56.23 Council for capital and operating assistance for transit ways and park-and-ride facilities  
56.24 subsequent to the required allocations under paragraph (a).

56.25 (d) The commissioner of management and budget shall deposit the funds allocated  
56.26 under paragraph (a) into the stadium account created under Minnesota Statutes 2010,  
56.27 section 473.5995.

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

APPENDIX  
Article locations in 12-5351

ARTICLE 1	MINNESOTA STADIUM AUTHORITY .....	Page.Ln 1.23
ARTICLE 2	CONFORMING CHANGES .....	Page.Ln 26.7
ARTICLE 3	DEVELOPMENT .....	Page.Ln 30.24
ARTICLE 4	ELECTRONIC PULL-TABS AND BINGO .....	Page.Ln 32.7
ARTICLE 5	REGIONAL STADIUM FINANCE .....	Page.Ln 56.4

**137.50 DEFINITIONS.**

Subd. 5. **Commission.** "Commission" means the Metropolitan Sports Facilities Commission.

**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.

APPENDIX

Repealed Minnesota Statutes: 12-5351

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.

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.

APPENDIX

Repealed Minnesota Statutes: 12-5351

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 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,

## APPENDIX

### Repealed Minnesota Statutes: 12-5351

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 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 metro dome, 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.

APPENDIX

Repealed Minnesota Statutes: 12-5351

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.

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

## APPENDIX

### Repealed Minnesota Statutes: 12-5351

otherwise does not appropriate sufficient money to fund the lease or agreement to the Minnesota Amateur Sports Commission; and

(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:

APPENDIX

Repealed Minnesota Statutes: 12-5351

- (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
- (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.

## APPENDIX

### Repealed Minnesota Statutes: 12-5351

The agreements shall include provisions protecting the commission and the council in the event of change in ownership of the professional teams.

(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

## APPENDIX

### Repealed Minnesota Statutes: 12-5351

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 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

## APPENDIX

### Repealed Minnesota Statutes: 12-5351

in accordance with the requirements specified in sections 473.551 to 473.599. The tax may be imposed:

(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.

## APPENDIX

### Repealed Minnesota Statutes: 12-5351

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, 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

## APPENDIX

### Repealed Minnesota Statutes: 12-5351

(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 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.

#### **473.5955 TERMINATION OF LEASE.**

The lease between the Board of Regents of the University of Minnesota and the commission dated May 19, 1982, that requires the University of Minnesota football team to play its home football games at the Hubert H. Humphrey Metrodome until July 1, 2012, may be terminated by the board and the commission effective on or after the date designated by the board as the date of completion of the stadium on the University of Minnesota's east bank campus in the city of Minneapolis.

#### **473.596 HIGHWAY USER TAX FUND FOR METRODOME ACCESS; LIMITS.**

No money derived from the highway user tax distribution fund shall be used to construct, relocate, or improve any streets, highways, or other public thoroughfares, except ones included in the municipal state aid street system established pursuant to article XIV, section

APPENDIX

Repealed Minnesota Statutes: 12-5351

4, of the Minnesota Constitution if such work is done in order to provide or improve access to the metrodome constructed pursuant to sections 473.551 to 473.595. The commissioner of transportation shall determine whether expenditures are in violation of this section.

**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 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.

## APPENDIX

### Repealed Minnesota Statutes: 12-5351

(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.

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

## APPENDIX

### Repealed Minnesota Statutes: 12-5351

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.

(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

APPENDIX

Repealed Minnesota Statutes: 12-5351

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 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:

APPENDIX

Repealed Minnesota Statutes: 12-5351

(i) that the commission's sole financial obligation to the landlord shall be to make the payment provided for in clause (1) 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 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

## APPENDIX

### Repealed Minnesota Statutes: 12-5351

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 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.

#### **473.5995 FOOTBALL STADIUM ACCOUNT.**

Subdivision 1. **Creation.** A football stadium account is created in the special revenue fund in the state treasury. On July 1, 2002, the Metropolitan Sports Facilities Commission must deposit \$500,000 from its cash reserves in the football stadium account.

Subd. 2. **Transfer; sale of the Metrodome.** Upon sale of the Metrodome, the Metropolitan Sports Facilities Commission must transfer the net sales proceeds as follows:

- (1) \$5,000,000 to Hennepin County to offset expenditures for grants for capital improvement reserves for a ballpark under section 473.757; and
- (2) the remainder to the football stadium account to be used to pay debt service on bonds issued to pay for the construction of a football stadium for the Minnesota Vikings.

#### **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.