

HOUSE RESEARCH

Bill Summary

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Overview

This bill allows the city of St. Paul to create a nonprofit organization that will take over responsibility for the RiverCentre complex and the Convention and Visitors Bureau.

Section

- 1** **Definitions.** Defines terms used in the bill.
2 **St. Paul; creation of nonprofit organization.**

Subd. 1. Authority to create a nonprofit organization. Permits St. Paul to participate in creating a nonprofit organization.

Subd. 2. Governing board; appointment process. (a) Provides for the mayor to appoint a majority of the nonprofit's governing board, subject to approval by the city council. Permits the mayor to appoint officers and employees of the city.

(b) Directs the mayor to appoint two city council members to the nonprofit's board.

(c) Provides that only the mayor can remove mayoral appointees.

Subd. 3. President. Provides for the governing board to appoint a president for the

Section

nonprofit, subject to approval by the mayor.

Subd. 4. Conflicts of interest. Exempts the nonprofit board members from conflicts of interest procedures with regard to contracts and transactions between the nonprofit and the city.

3 RiverCentre management; operations contract.

Subd. 1. Authority to contract with nonprofit organization. Permits the city to contract with the nonprofit to equip, maintain, manage, and operate all or a portion of the RiverCentre complex, and to manage and operate a convention and visitors bureau. Permits the nonprofit to use the city attorney's services and the city's purchasing department.

Subd. 2. Bondholders' rights and RiverCentre complex tax exemptions preserved. Requires the city to protect the bondholders' rights under bonds issued for the RiverCentre complex. Provides that the RiverCentre complex retains the same tax exemptions it had when it was the responsibility of the city. Specifically excludes RiverCentre concert ticket sales made by the nonprofit organization from the sales tax exemption for nonprofit arts organizations.

Subd. 3. Applicable general laws. Requires the nonprofit to comply with the open meeting law and the government data practices act the same as the city, to the extent practicable.

Subd. 4. Succession. Makes the nonprofit the successor to the RiverCentre Authority under the laws listed. Provides that the RiverCentre Authority ceases to exist for as long as the city's contract with the nonprofit is in effect.

4 Liability. Makes the nonprofit organization a "municipality" for the purposes of the Municipal Tort Liability statute. Requires the city to defend and indemnify the nonprofit against claims arising out of the nonprofit's performance under the contract with the city.

5 Effective date. Day after local approval is completed.