

HOUSE RESEARCH

Bill Summary

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Overview

This bill modifies the use of revenues from the Hennepin County sales tax that pays for the Twins baseball park. It caps the amount of revenues that may be used for the Hennepin County libraries and youth activities and sports at \$4 million per year. Present law provides for the \$4 million limit to increase annually by 1.5 percent. It also imposes a \$20 million limit on the amount that may be deposited in the ballpark reserve fund. Once this dollar limit is reached, any additional money would be required to be used to redeem or "defease" (i.e., to place money in an interest-earning escrow account to pay) the stadium bonds.

- 1** **Repeal annual escalator.** Repeals the 1.5 percent escalator that applies to the \$4 million limit on permitted expenditures of baseball park sales tax revenues for extended Hennepin County library hours and youth activities and sports.

Background. Under present law, revenues from the Hennepin County sales tax for the Twins baseball park may be used (after paying the bonds, ballpark operating costs, reserves and other associated baseball park costs) for:

- Youth activities and youth amateur sports in Hennepin County
- Extending Hennepin County library hours.

These additional expenditures for non-ballpark purposes are limited to an annual amount of \$4 million. This annual limit is increased each year by 1.5 percent. This section repeals that escalator clause.

- 2** **Limit on deposits to reserve fund.** Imposes a \$20 million limit on the amount of reserves that may be maintained for the baseball park and prohibits maintaining a reserve for the purpose of making library and youth activity and sports grants. When the cap on the amount of the reserve fund is reached, this will compel additional revenues from the sales tax to be used to redeem or defease bonds, the only other permitted purposes for these sales tax revenues. Under the existing statute, once the bonds are paid off, the sales tax terminates.