House Language UES0605-2

144.23	ARTICLE 5
144.24	MINNESOTA SPORTS FACILITIES AUTHORITY
144.25	Section 1. Minnesota Statutes 2016, section 13.55, subdivision 2, is amended to read:
144.26 144.27	Subd. 2. <b>Public data.</b> (a) The data made not public by the provisions of subdivision 1 shall become public upon the occurrence of any of the following:
	$\frac{\text{(a)}(1)}{(between the facility and the inquiring party or parties or the event which was the subject of inquiry occurs at the facility, whichever occurs earlier;$
144.31	(b) (2) the event which was the subject of inquiry does not occur; or
145.1	(e) (3) the event which was the subject of inquiry occurs elsewhere.
145.2 145.3 145.4 145.5	(b) Data regarding persons receiving free or discounted admission, tickets, or other gifts from publicly owned and operated convention facilities, civic center authorities, or the Minnesota Sports Facilities Authority is public data unless the data is subject to the provisions of subdivision 1 or 4, paragraph (b).
145.6 145.7	Sec. 2. Minnesota Statutes 2016, section 16A.965, is amended by adding a subdivision to read:
145.8	Subd. 11. <b>Prepayment of bonds.</b> Each fiscal year in which there is a reduction in the
145.9	amount of the payment for stadium operating expenses as a result of the provisions of section
145.10	473J.09, subdivision 15, the commissioner shall set aside the amount of the savings in a
145.11	separate account in the general fund for that purpose. When a sufficient amount of savings
145.12	have been accumulated in that account to make it practicable, the commissioner must use
145.13	amounts in the account to prepay or defease bonds issued under this subdivision in a manner
145 14	

May 05, 2017 12:56 PM

## Senate Language UEH0778-3

1.16	ARTICLE 1
1.17	MINNESOTA SPORTS FACILITIES AUTHORITY REFORMS
1.18	Section 1. Minnesota Statutes 2016, section 13.55, subdivision 2, is amended to read:
1.19 1.20	Subd. 2. <b>Public data.</b> (a) The data made not public by the provisions of subdivision 1 shall become public upon the occurrence of any of the following:
1.21 1.22 1.23	(a) (1) five years elapse from the date on which the lease or contract is entered into between the facility and the inquiring party or parties or the event which was the subject of inquiry occurs at the facility, whichever occurs earlier;
1.24	(b) (2) the event which was the subject of inquiry does not occur; or
1.25	$\frac{\text{(e)}}{\text{(3)}}$ the event which was the subject of inquiry occurs elsewhere.
2.1 2.2 2.3 2.4	(b) Data regarding persons receiving free or discounted admission, tickets, or other gifts from publicly owned and operated convention facilities, civic center authorities, or the Minnesota Sports Facilities Authority are public data unless the data are subject to the provisions of subdivision 1 or 4, paragraph (b).
2.5	Sec. 2. Minnesota Statutes 2016, section 43A.38, is amended by adding a subdivision to

Subd. 10. Publicly owned facilities. This section applies to the members and employees of the public governing bodies responsible for management of publicly owned facilities, 2.7

including sporting facilities, arenas, and performance venues. Personal use of the facility 2.9

or a portion of the facility at no or reduced cost constitutes a "gift" under this section.

- 145.15 Sec. 3. Minnesota Statutes 2016, section 297A.994, subdivision 4, is amended to read:
- Subd. 4. **General fund allocations.** The commissioner must retain and deposit to the general fund the following amounts, as required by subdivision 3, clause (3):
- (1) for state bond debt service support beginning in calendar year 2021, and for each calendar year thereafter through calendar year 2046, periodic amounts so that not later than December 31, 2046, an aggregate amount equal to a present value of \$150,000,000 has been deposited in the general fund. To determine aggregate present value, the commissioner must consult with the commissioner of management and budget regarding the present value dates, discount rate or rates, and schedules of annual amounts. The present value date or dates must be based on the date or dates bonds are sold under section 16A.965, or the date or dates or rates must be based on the true interest cost of the bonds issued under section 16A.965,
- 145.30 (2) for the capital improvement reserve appropriation to the Minnesota Sports Facilities
  145.31 Authority beginning in calendar year 2021, and for each calendar year thereafter through
  145.32 calendar year 2046, an aggregate annual amount equal to the amount paid by the state for

145.27 or an equivalent 30-year bond index, as determined by the commissioner of management 145.28 and budget. The schedule of annual amounts must be certified to the commissioner by the

145.33 this purpose in that calendar year under section 473J.13, subdivision 4;

145.29 commissioner of management and budget and the finance officer of the city;

- 146.1 (3) for the operating expense appropriation to the Minnesota Sports Facilities Authority
  146.2 beginning in calendar year 2021, and for each calendar year thereafter through calendar
  146.3 year 2046, an aggregate annual amount equal to the amount paid by the state for this purpose
  146.4 in that calendar year under section 473J.13, subdivision 2, determined without regard to the
  146.5 reduction in that amount for any amounts reported under section 473J.09, subdivision 15,
  146.6 paragraph (c);
- (4) for recapture of state advances for capital improvements and operating expenses for calendar years 2016 through 2020 beginning in calendar year 2021, and for each calendar year thereafter until all amounts under this clause have been paid, proportionate amounts periodically until an aggregate amount equal to the present value of all amounts paid by the state have been deposited in the general fund. To determine the present value of the amounts paid by the state to the authority and the present value of amounts deposited to the general fund under this clause, the commissioner shall consult with the commissioner of management and budget regarding the present value dates, discount rate or rates, and schedule of annual amounts. The present value dates must be based on the dates state funds are paid to the authority, or the dates the commissioner of revenue deposits taxes for purposes of this clause to the general fund. The discount rates must be based on the reasonably equivalent cost of state funds as determined by the commissioner of management and budget. The schedule of annual amounts must be revised to reflect amounts paid under section 473J.13, subdivision

#### House Language UES0605-2

146.20	2, paragraph (b), for 2016 to 2020, and subdivision 4, paragraph (c), for 2016 to 2020, and					
146.21	taxes deposited to the general fund from time to time under this clause, and the schedule					
146.22	and revised schedules must be certified to the commissioner by the commissioner of					
146.23	management and budget and the finance officer of the city, and are transferred as accrued					
146.24	from the general fund for repayment of advances made by the state to the authority.					
146.25	Determination of the present value amounts must be made without regard to any reduction					
146.26	in the state advances resulting from amounts reported under section 473J.09, subdivision					
146.27	15, paragraph (c); and					
146.28	(5) to capture increases in taxes imposed under the special law, for the benefit of the					
146.29	Minnesota Sports Facilities Authority, beginning in calendar year 2013 and for each calendar					
146.30	year thereafter through 2046, there shall be deposited to the general fund in proportionate					
146.31	periodic payments in the following year, an amount equal to the following:					
146.32	(i) 50 percent of the difference, if any, by which the amount of the net annual taxes for					
146.33	the previous year exceeds the sum of the net actual taxes in calendar year 2011 plus					
	\$1,000,000, inflated at two percent per year since 2011, minus					
147.1	(ii) 25 percent of the difference, if any, by which the amount of the net annual taxes for					
147.2	the preceding year exceeds the sum of the net actual taxes in calendar year 2011 plus					
147.3	\$3,000,000, inflated at two percent per year since 2011.					
	*-,·-,·-,, F					

- 147.4 Sec. 4. Minnesota Statutes 2016, section 473J.07, subdivision 2, is amended to read:
- Subd. 2. **Membership.** (a) The authority shall consist of five seven members.
- 147.6 (b) The chair and two members One member shall be appointed by the governor. One
  147.7 This member appointed by the governor shall serve until December 31 of the third year
  147.8 following appointment and one member shall serve until December 31 of the fourth year
  147.9 following appointment. Thereafter, members appointed by the governor shall serve four-year
  147.10 terms, beginning January 1. Each member serves until a successor is appointed and takes
  147.11 office. The chair serves at the pleasure of the governor.

May 05, 2017 12:56 PM Senate Language UEH0778-3

- 2.11 Sec. 3. Minnesota Statutes 2016, section 473J.03, is amended by adding a subdivision to read:
- 2.13 Subd. 13. Stadium space. "Stadium space" means a seat, personal seat license, suite, club room, parking, or any other part of the stadium or license to access any part of the
- stadium that a member of the general public would have to pay to use or access.
- Sec. 4. Minnesota Statutes 2016, section 473J.07, subdivision 2, is amended to read:
- 2.17 Subd. 2. **Membership.** (a) The authority shall consist of five members.
- 2.18 (b) The chair and two Three members shall be appointed by the governor and confirmed
- by the senate. One member appointed by the governor shall serve until December 31 of the
- third year following appointment and one member shall serve until December 31 of the
- 2.21 fourth year following appointment. Thereafter, members appointed by the governor shall
- 2.22 serve four-year terms, beginning January 1. Each member serves until a successor is
- 23 appointed and takes office unless removed by the appointing authority for cause. Cause for
- removal includes violation of the employee code of ethics in section 43A.38. The chair
- 2.25 serves at the pleasure of the governor.

## House Language UES0605-2

147.14 147.15 147.16 147.17	This member appointed by the mayor of the city shall serve until December 31 of the third second year following appointment and one member shall serve until December 31 of the fourth year following appointment. Thereafter, members appointed under this paragraph shall serve four-year terms beginning January 1. Each member serves until a successor is appointed and takes office. Members appointed under this paragraph may reside within the
147.18 147.19	city and may be appointed officials of a political subdivision.  (d) The initial members of the authority must be appointed not later than June 13, 2012.
147.20 147.21 147.22	members of the legislature, as follows:
147.23 147.24	<ul><li>(2) the majority leader of the senate shall appoint one member;</li><li>(3) the minority leader of the house of representatives shall appoint one member; and</li></ul>
147.25	<u> </u>
147.26 147.27 147.28	of the board, who must be a certified public accountant. Members appointed by the legislature
147.29	Sec. 5. Minnesota Statutes 2016, section 473J.07, subdivision 3, is amended to read:
147.30 147.31 148.1	<b>1</b>

board members and shall be reimbursed for reasonable expenses to the same extent as a

148.3 member.

May 05, 2017 12:56 PM

2.26 2.27 2.28 2.29 2.30 2.31 2.32 3.1 3.2	(c) The mayor of the city shall appoint <u>and the senate shall confirm</u> two members to the authority. One member appointed by the mayor of the city shall serve until December 31 of the third year following appointment and one member shall serve until December 31 of the fourth year following appointment. Thereafter, members appointed under this paragraph shall serve four-year terms beginning January 1. Each member serves until a successor is appointed and takes office <u>unless removed by the appointing authority for cause. Cause for removal includes violation of the employee code of ethics in section 43A.38. Members appointed under this paragraph may reside within the city and may be appointed officials of a political subdivision.</u>
3.3	(d) The initial members of the authority must be appointed not later than June 13, 2012.
3.4	<b>EFFECTIVE DATE.</b> This section is effective the day following final enactment and
3.5	applies to members appointed after April 1, 2017. If the senate adjourns the 2017 legislative
3.6	session without confirming an appointee appointed after April 1, 2017, that appointee may
3.7	serve until the senate denies confirmation of that appointee.
3.8	Sec. 5. Minnesota Statutes 2016, section 473J.07, subdivision 3, is amended to read:
3.9	Subd. 3. <b>Compensation.</b> The authority may compensate its members, other than the
3.10	<del>chair,</del> as provided in section 15.0575. The chair shall receive, <del>unless otherwise provided by</del>
3.11	other law, a salary in an amount fixed by the authority, no more than half of the salary of
3.12	the executive director of the authority and shall be reimbursed for reasonable expenses to
3.13	the same extent as a member.

#### House Language UES0605-2

148.4 Sec. 6. Minnesota Statutes 2016, section 473J.07, subdivision 4, is amended to read:

Subd. 4. **Chair.** The chair presides at all meetings of the authority, if present, and performs all other assigned duties and functions. The members of the board shall biennially

48.7 elect a chair from among its members. The authority may appoint from among its members

a vice-chair to act for the chair during the temporary absence or disability of the chair, and

48.9 any other officers the authority determines are necessary or convenient.

- 148.10 Sec. 7. Minnesota Statutes 2016, section 473J.07, subdivision 8, is amended to read:
- 148.11 Subd. 8. **Executive director; employees.** The authority may appoint an executive director
- 148.12 to serve as the chief executive officer of the authority. The executive director serves at the
- 148.13 pleasure of the authority and receives compensation as determined by the authority, but in
- 148.14 no instance may the compensation of the executive director exceed that of the governor.
- 148.15 The executive director may be responsible for the operation, management, and promotion
- 148.16 of activities of the authority, as prescribed by the authority. The executive director has the
- 148.17 powers necessarily incident to the performance of duties required and powers granted by
- 148.18 the authority, but does not have authority to incur liability or make expenditures on behalf
- 148.19 of the authority without general or specific directions by the authority, as shown by the
- 148.20 bylaws or minutes of a meeting of the authority. The executive director is responsible for
- 148.21 hiring, supervision, and dismissal of all other employees of the authority. The authority
- 148.22 must conduct an annual employee evaluation of the executive director, which must be
- 148.23 reviewed and approved by the entire board.
- 46.23 Teviewed and approved by the entire board.
- 148.24 Sec. 8. Minnesota Statutes 2016, section 473J.07, is amended by adding a subdivision to
- 148.25 read:
- 148.26 Subd. 8a. **Budget; report.** After adoption, the authority shall submit its annual budget
- 148.27 to the commissioner of management and budget and to the chairs and ranking minority
- 148.28 members of the senate finance and house of representatives ways and means committees.
- All elements of the authority budget, meeting minutes, policies, and procedures must be
- 148.30 available on the authority Web site.

May 05, 2017 12:56 PM

3.14	Sec. 6.	Minnesota	Statutes	2016.	section	473J.07.	subdivision 4	l. is	amended to	read

- 3.15 Subd. 4. Chair. The chair presides at all meetings of the authority, if present, and
- 3.16 performs all other assigned duties and functions. The members of the authority shall
- biennially elect a chair from among its members. The authority may appoint from among
- its members a vice-chair to act for the chair during the temporary absence or disability of
- the chair, and any other officers the authority determines are necessary or convenient.
- 3.20 Sec. 7. Minnesota Statutes 2016, section 473J.07, subdivision 7, is amended to read:
- 3.21 Subd. 7. **Audit.** The legislative auditor shall audit the books and accounts of the authority
- 3.22 once each year or as often as the legislative auditor's funds and personnel permit. The
- authority shall pay the total cost of the audit pursuant to section 3.9741. The legislative
- 3.24 auditor may conduct examinations of the authority's finances, budgets, expenditures,
- 3.25 revenues, and its operation. The legislative auditor may periodically examine the authority's
- 3.26 use of stadium space by the authority's members, staff, family, friends, charitable
- 3.27 organizations, and vendors.
- 3.28 Sec. 8. Minnesota Statutes 2016, section 473J.07, subdivision 8, is amended to read:
- 3.29 Subd. 8. Executive director; employees. The authority may appoint an executive director
- 3.30 to serve as the chief executive officer of the authority. The executive director serves at the
- 3.31 pleasure of the authority and receives compensation as determined by the authority but not
- 4.1 to exceed 115 percent of the governor's salary. The executive director may be responsible
- for the operation, management, and promotion of activities of the authority, as prescribed
- by the authority. The executive director has the powers necessarily incident to the
- 4.4 performance of duties required and powers granted by the authority, but does not have
- 4.5 authority to incur liability or make expenditures on behalf of the authority without general
- 4.6 or specific directions by the authority, as shown by the bylaws or minutes of a meeting of
- the authority. The executive director is responsible for hiring, supervision, and dismissal of all other employees of the authority. The authority must conduct an annual employee
- evaluation of the executive director, which must be reviewed and approved by the entire
- 4.10 board.
- 4.11 Sec. 9. Minnesota Statutes 2016, section 473J.07, is amended by adding a subdivision to
- 4.12 read:
- 4.13 Subd. 8a. **Budget**; **report.** After adoption, the authority shall submit its annual budget
- to the commissioner of management and budget and to the chairs and ranking minority
- members of the senate finance and house of representatives ways and means committees.

House Language UES0605-2

49.2 49.3	Subd. 6. <b>Employees; contracts for services.</b> The authority may employ persons and contract for services necessary to carry out its functions, including the utilization of
49.3	
	amplexical and consultants rateined by other governmental antities. As a condition of
49.4	employees and consultants retained by other governmental entities. As a condition of
49.5	employment, employees selected by the authority may not engage in partisan political
49.6	activities. The authority shall enter into an agreement with the city regarding traffic control
49.7	for the stadium.
49.8	Sec. 10. Minnesota Statutes 2016, section 473J.09, subdivision 13, is amended to read:
49.9	Subd. 13. <b>Legislative report.</b> The authority must report to the chairs and ranking minority
49.10	members of the legislative committees with jurisdiction over state government finance by
49.11	January 15 of each year on the following:
49.12	(1) any recommended increases in the rate or dollar amount of tax;
49.13	(2) any recommended increases in the debt of the authority;
49.14	(3) the overall work and role of the authority;
49.15	(4) the authority's proposed and past operating and capital budgets; and

(5) the authority's implementation of the operating and capital budgets.

149.16

May 05, 2017 12:56 PM

4.16	Sec. 10. Minnesota Statutes 2016, section 473J.07, subdivision 9, is amended to read:
4.17 4.18 4.19 4.20 4.21 4.22 4.23 4.24	Subd. 9. <b>Web site.</b> The authority shall establish a Web site for purposes of providing information to the public concerning all actions taken by the authority. At a minimum, the Web site must contain a current version of the authority's bylaws, notices of upcoming meetings, minutes of the authority's meetings, each annual budget, each use agreement, each management agreement, each sponsorship agreement, meeting minutes for all meetings, policies, and procedures, and contact telephone, electronic mail, and facsimile numbers for public comments. This subdivision does not apply to information that is classified as not public data, as defined in section 13.02, subdivision 8a, under other law.
4.25	Sec. 11. Minnesota Statutes 2016, section 473J.09, subdivision 13, is amended to read:
4.26 4.27 4.28 4.29 4.30	Subd. 13. <b>Legislative report.</b> The authority must report to the <u>Legislative Commission on Minnesota Sports Facilities and the</u> chairs and ranking minority members of the legislative committees with jurisdiction over state government finance <u>and to the senate Finance Committee</u> and the house of representatives Ways and Means Committee by January 15 of each year on the following:
4.31	(1) any recommended increases in the rate or dollar amount of tax;
4.32	(2) any recommended increases in the debt of the authority;
5.1	(3) the overall work and role of the authority;
5.2	(4) the authority's proposed operating and capital budgets; and
5.3 5.4 5.5 5.6	(5) the authority's implementation of the operating and capital budgets-, including information on actual revenues and expenditures, events conducted, and all expected or unexpected maintenance and capital repair needs arising since the time of the last report; and

House Language UES0605-2

	Sec. 11. Minnesota Statutes 2016, section 4/3J.09, is amended by adding a subdivision
149.18	to read:
149.19	Subd. 15. Use of stadium suites. (a) The authority's marketing vendor may enter into
149.19	
	marketing the stadium to potential users. Use of stadium suites is subject to the following
149.21	
149.22	requirements:
150.18	(5) provision of tickets to events and use of suites for a purpose other than marketing or
150.19	oversight must be reported to the legislative auditor.
	as much the control of the control o
150.20	(b) The authority must negotiate a return of all stadium suites to the primary tenant, or
150.21	other interested parties, in return for fair market value. A provision may be negotiated
150.22	allowing limited access to suites for marketing purposes. Any revenues received pursuant
150.23	to this paragraph must be deposited in the authority's operating reserves, established under
150.24	section 473J.13, subdivision 2, paragraph (c).
150.25	(a) No later than (1) days often the close of each fixed year the outhority must report to
150.25	(c) No later than 60 days after the close of each fiscal year, the authority must report to
150.26	the commissioner of management and budget the amount deposited in the authority's reserves
150.27	under the provisions of paragraph (b).
150.28	<b>EFFECTIVE DATE.</b> This section is effective the day following final enactment.
149.23	(1) stadium suites may not be used by board members, except when participating in a
149.24	marketing effort arranged by the authority's marketing vendor, or conducting oversight of
149.25	authority responsibilities. The executive director shall ensure that use of the suite does not
149.26	
149 27	for oversight duties, and must pay the fair market value for use of the suite:

May 05, 2017 12:56 PM

5.7 5.8	(6) a listing of all stadium amenities under the control of the authority since the time of the last report, and how the amenities were used.
5.9 5.10	Sec. 12. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision to read:
5.11 5.12	Subd. 16. Use of stadium space by authority members. Authority members may not use stadium space unless the use is for a legitimate business purpose. Legitimate business
5.13	purposes are:
5.14	(1) participating in a marketing effort arranged by the authority's marketing vendor;

House Language UES0605-2

150.15 150.16 150.17	(4) authority staff may not use a suite except with the express written assignment of duties by the executive director, may not be provided free food, and may not be provided free parking unless necessary to complete the assigned duties; and
149.28 149.29	(2) stadium suite use must be limited to only those persons and activities with a legitimate business purpose. Family members and friends of board members and authority staff are
149.30	presumed not to have a legitimate business purpose for attendance in a suite unless the
150.1 150.2	attendance has been approved by public vote of the authority, and the stated business purpose made a part of the public record;
150.3 150.4	(3) if the authority has contracted or contracts for stadium marketing services and access to a suite is included in the existing or future contract, the contract terms must require that
150.4	the contractor determine when suites are needed for marketing purposes and transmits to
150.6	the authority all data regarding its suite use, including but not limited to:
150.7	(i) the costs of use;
150.8	(ii) the identity of each attendee and their legitimate business purpose for attendance;
150.9 150.10	(iii) the date, time, and a general description of the stadium event at which the suite was used, if applicable; and

May 05, 2017 12:56 PM

5.15	(2) conducting oversight of the operation of the stadium; or
5.16 5.17	(3) making stadium space available to nonprofit charitable organizations to provide access to events at the stadium for people served by the charitable organization.
0.17	accepted to every the mean and proposed the continuous of summaries of
5.18	Sec. 13. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision
5.19	to read:
5.20	Subd. 17. Use of stadium space by staff members. The executive director may not use
5.21	stadium space unless the use is for a legitimate business purpose and is approved by a vote
5.22	of the authority at a public meeting, and the legitimate business purpose is made a part of
5.23 5.24	the public record. Stadium space may not be used by the authority's staff members, other than the executive director, unless the use is with the express written assignment of duties
5.25	by the executive director. Staff may not receive free food or beverages and may not receive
5.26	free parking unless necessary to complete the assigned duties.
5.27	Sec. 14. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision
5.28	to read:
5.29	Subd. 18. Use of stadium space by family and friends of authority members. The
5.30	authority or its members may not grant access to stadium space to family members or friends
5.31	of the authority's members or staff unless the use is for a legitimate business purpose and
6.1	is approved by a vote of the authority at a public meeting, and the legitimate business purpose
6.2	is made a part of the public record. A legitimate business purpose under this subdivision
6.3	means being a prospective user of the stadium.
6.4	Sec. 15. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision
6.5	to read:
6.6 6.7	Subd. 19. <b>Use of stadium space by marketing vendor.</b> If the authority contracts with a vendor for services to market the stadium, the authority may extend to the marketing
6.8	vendor complimentary access to stadium space for the purpose of marketing the stadium to
6.9	prospective users of the stadium, provided the contract requires the vendor to report to the
6.10	authority the following information within 30 days after each event at which the vendor has
6.11	used stadium space:
6.12	(1) the costs of use;
6.13	(2) the identity of each adult attendee and their legitimate business purpose for attendance
C 1.4	(2) the data time and a constal description of the stadium event at which the suite
6.14 6.15	(3) the date, time, and a general description of the stadium event at which the suite was used; and
0.13	uscu, anu

House Language UES0605-2

150.11 150.12	(iv) the value and a description of any food, parking, or other benefits provided to attendees.
150.13 150.14	The data required by this clause must be transmitted to the authority within 30 days after each event at which a suite was used;
151.1 151.2	Sec. 12. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision to read:
151.3 151.4	Subd. 16. Code of conduct. The authority shall adopt and comply with the latest version of the state code of conduct promulgated by Minnesota Management and Budget.

May 05, 2017 12:56 PM

6.16	(4) the value and description of any food, parking, or other benefits provided to attendees.
6.17 6.18	Data that the authority receives under this subdivision is public data unless otherwise classified by section 13.55.
6.19 6.20	Sec. 16. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision to read:
6.21 6.22 6.23 6.24 6.25 6.26 6.27	Subd. 21. Report on stadium space use by authority members, staff, and vendors. The authority shall report the following information annually to the governor, the mayor of the city of Minneapolis, the chair of the Legislative Commission on Minnesota Sports Facilities, and the chairs and ranking minority members of the senate Finance Committee and the house of representatives Ways and Means Committee regarding use of stadium space by authority members, staff, family, friends, charitable organizations, and vendors or their guests:
6.28	(1) the costs of use;
6.29	(2) the identity of each adult attendee and their legitimate business purpose for attendance;
6.30 6.31	(3) the date, time, and a general description of the stadium event at which the suite was used; and
7.1	(4) the value and description of any food, parking, or other benefits provided to attendees.
7.2 7.3	Sec. 17. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision to read:
7.4 7.5 7.6 7.7 7.8	Subd. 22. <b>Open market purchase.</b> This section does not prohibit an authority member, staff member, friend, or family member of the authority or staff from attending events, renting rooms, or using suites at the stadium for which the person purchased a ticket, rented a room, or purchased a suite, on the open market through the same channels for the same prices as are available to the public.
7.9 7.10	Sec. 18. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision to read:
7.11 7.12 7.13 7.14	Subd. 23. Code of conduct. The authority shall adopt and comply with the latest version of the state code of conduct promulgated by Minnesota Management and Budget. For purposes of section 43A.38 as applied to the authority, an authority member or an authority staff member is an "employee of the executive branch"; use of or preferential access to

House Language UES0605-2

151.5	Sec. 13. Minnesota	Statutes 2016, s	ection 473J.13,	subdivision 2,	is amended to read:
-------	--------------------	------------------	-----------------	----------------	---------------------

- Subd. 2. **Operating expenses.** (a) The authority must pay or cause to be paid all operating expenses of the stadium. The authority must require in the lease or use agreement with the NFL team that the NFL team pay the authority, beginning January 1, 2016, or other date as mutually agreed upon by the parties, toward operating costs of the stadium, \$8,500,000 each year, increased by a three percent annual inflation rate.
- (b) Beginning January 1, 2016, or other date as mutually agreed upon by the parties, and continuing through 2020, the state shall pay the authority operating expenses, \$6,000,000 to each year, increased by an annual adjustment factor. The payment of \$6,000,000 per year beginning in 2016 is a payment by the state, which shall be repaid to the state, using funds as provided under section 297A.994, subdivision 4, clause (4). After 2020, the state shall assume this payment, using funds generated in accordance with the city of Minneapolis as specified under section 297A.994, subdivision 4, clause (3). The amount of the payment obligation under this paragraph for any fiscal year is reduced by the dollar amount for the prior fiscal year reported to the commissioner of management and budget under section 473J.09, subdivision 15, paragraph (c).
- 151.21 (c) The authority may establish an operating reserve to cover operating expense shortfalls
  151.22 and may accept funds from any source for deposit in the operating reserve. The establishment
  151.23 or funding of an authority operating reserve must not decrease the amounts required to be
  151.24 paid to the authority toward operating costs under this subdivision unless agreed to by the
  151.25 authority.
- (d) The authority will be responsible for operating cost overruns.
- (e) After the joint selection of the third-party manager or program manager, the authority may agree with a program manager or other third-party manager of the stadium on a fixed cost operating, management, or employment agreement with operating cost protections under which the program manager or third-party manager assumes responsibility for stadium operating costs and shortfalls. The agreement with the manager must require the manager to prepare an initial and ongoing operating plan and operating budgets for approval by the authority in consultation with the NFL team. The manager must agree to operate the stadium in accordance with the approved operating plan and operating budget.

#### 152.3 Sec. 14. **RECOVERY.**

May 05, 2017 12:56 PM

#### Senate Language UEH0778-3

- 7.15 stadium space by an authority member or by authority staff, unless permitted under this
- 7.16 section, constitutes a "gift" under section 43A.38, subdivision 2; and constitutes "use of
- 5.17 state property for the employee's private interest" under section 43A.48, subdivision 4.

8.1 Sec. 20. **RECOVERY.** 

House Language UES0605-2

152.4	The Minnesota Sports Facilities Authority must recover the fair market value of any
152.5	food, parking, tickets, and access to stadium suites provided to a person prior to January 1,
152.6	2017, if the provision of those benefits to the person was not in the public interest. The
152.7	authority shall report on recovery efforts to the commissioner of management and budget
152.8	and to the chairs and ranking minority members of the senate finance and house of
152.9	representatives ways and means committees on the second Monday of each month until a
152.10	full recovery is completed.
152.11	<b>EFFECTIVE DATE.</b> This section is effective the day following final enactment.
152.12	Sec. 15. LEGISLATIVE AUDITOR REVIEW.
152.13	(a) No later than January 15, 2018, the legislative auditor is requested to review the
152.14	operations and management structure of major sports event facilities in Minnesota that are
152.15	both publicly owned and publicly operated. Upon completion, the review must be submitted
152.16	to the chairs and ranking minority members of the legislative committees with jurisdiction
152.17	over state government finance, and to the Legislative Commission on Minnesota Sports
152.18	Facilities.
152.19	(b) At a minimum, the review must consider:
152.20	(1) the structure and oversight responsibilities of each facility's public governing body;
	<u>.,                                     </u>
152.21	(2) whether the public governing bodies have access to tickets, suites, or other premiun
152.22	amenities for events conducted in the facilities they oversee, including the terms under
152.23	which the access is provided; and
152.24	(3) whether the public governing bodies have adopted policies or procedures to ensure
152.25	their oversight activities, including those of individual members acting on behalf of the
152.26	governing body, are transparent and in furtherance of the public interest.
	Government and in terminate of the passive interest.
152.27	(c) The review must compare and contrast the practices of each public governing body
	and may recommend best practices for improving the governance, operations, and public
	and the property of the proper

May 05, 2017 12:56 PM

## Senate Language UEH0778-3

3.2	The Minnesota Sports Facilities Authority must make every effort to recover the fair
3.3	market value of any food, parking, tickets, and access to stadium suites provided to a person
3.4	prior to January 1, 2017, if the provision of those benefits to the person was not in the public
3.5	interest. The authority shall report on recovery efforts to the commissioner of management
3.6	and budget and to the chairs and ranking minority members of the senate finance and house
3.7	of representatives ways and means committees by May 31, 2017. Money recovered under
8.8	this section is transferred by July 1, 2017, to the commissioner of management and budget
3.9	for deposit in the general reserve account established under Minnesota Statutes, section
3.10	297E.021, subdivision 4.

# 7.18 Sec. 19. LEGISLATIVE AUDITOR REVIEW OF MINNESOTA SPORTS 7.19 FACILITIES AUTHORITY MANAGEMENT STRUCTURE.

7.20	The legislative auditor is requested to conduct a review of the management structure
7.21	the Minnesota Sports Facilities Authority established in Minnesota Statutes, chapter 473J.
7.22	The review is requested to prioritize consideration of the authority's leadership positions,
7.23	including the necessity for the authority to be simultaneously led by a full-time executive
7.24	director and a full-time chair. As appropriate, the review may include recommendations fo
7.25	legislation to improve the authority's management structure. The review must be submitted
7.26	to the Legislative Commission on Minnesota Sports Facilities, and the chairs and ranking
7.27	minority members of the legislative committees with jurisdiction over state government
7.28	finance and to the chairs and ranking minority members of the senate Finance Committee
7.29	and the house of representatives Ways and Means Committee, no later than January 15,
7.30	2018.

House Language UES0605-2

May 05, 2017 12:56 PM

Senate Language UEH0778-3

	accountability of each body. As necessary, the review may also propose any changes in law
152.30	necessary to implement these best practices.
153.1	Sec. 16. REPEALER.
153.2	Minnesota Statutes 2016, section 473J.09, subdivision 14, is repealed.
133.2	inimesou suitates 2010, seedon 1733.07, suodivision 11, is repeated.
153.3	Sec. 17. EFFECTIVE DATE.
153.4	Except where otherwise provided, this article is effective July 1, 2017, and,
153.5	notwithstanding any law to the contrary, the appointment of the current executive director
153.6	of the Minnesota Sports Facilities Authority and the terms of all current members of the
153.7	authority terminate on that date. New appointments as required by Minnesota Statutes,
153.8	section 473J.07, subdivision 2, must be made no later than July 15, 2017.

8.11	Sec. 21. TEMPORARY TRANSFER OF SUITE FOR USE BY NONPROFIT.
8.12	The Minnesota Sports Facilities Authority must assign its rights to one stadium suite
8.13	under the Stadium Use Agreement with the NFL team, as defined in Minnesota Statutes,
8.14	section 473J.03, to a nonprofit charitable organization affiliated with and designated by the
8.15	NFL team. This assignment must begin on the effective date of this act and must terminate
8.16	on the day that a plan developed under section 22 for use of the suite is effective.
8.17	Sec. 22. TRANSFER OF SUITE.
8.18	The Legislative Commission on Minnesota Sports Facilities shall report to the chairs
8.19	and ranking minority members of the committees in the house of representatives and the
8.20	senate with jurisdiction over finance by February 1, 2018, with recommendations for the
8.21	future use, sale, or transfer of one or both suites in the NFL stadium owned by the Minnesota
8.22	Sports Facilities Authority. The report shall review the potential for an amendment to the
8.23	use agreement with the primary tenant and shall discuss the potential revenue available
8.24	from the sale or lease of one or both suites, and the potential of other means of benefiting
8.25	the public, such as making the suites available for use by charitable organizations. In
8.26	developing its recommendations, the commission shall consult with the legislative auditor,
8.27	the Minnesota Sports Facilities Authority, the primary tenant of the stadium, the stadium
8.28	marketing and management firm engaged by the authority, and the commissioner of
8.29	management and budget. The report shall include any draft legislation necessary to implement
8.30	the recommendations.
8.31	Sec. 23. REPEALER.
8.32	Minnesota Statutes 2016, section 473J.09, subdivision 14, is repealed.
9.1	Sec. 24. EFFECTIVE DATE.
9.2	This act is effective the day following final enactment. The terms of all current members
9.3	of the Minnesota Sports Facilities Authority terminate May 31, 2017. Appointing authorities
9.4	must appoint new members of the authority by May 10, 2017, to serve terms beginning
9.5	June 1, 2017.

9.6	ARTICLE 2
9.7	METROPOLITAN SPORTS FACILITIES COMMISSION TECHNICAL CHANGES
9.8	Section 1. Minnesota Statutes 2016, section 13.55, subdivision 1, is amended to read:
9.9 9.10 9.11 9.12 9.13	Subdivision 1. <b>Not public classification.</b> The following data received, created, or maintained by or for publicly owned and operated convention facilities, civic center authorities, or the Metropolitan Minnesota Sports Facilities Commission Authority are classified as nonpublic data pursuant to section 13.02, subdivision 9; or private data on individuals pursuant to section 13.02, subdivision 12:
9.14 9.15	(a) a letter or other documentation from any person who makes inquiry to or who is contacted by the facility regarding the availability of the facility for staging events;
9.16	(b) identity of firms and corporations which contact the facility;
9.17	(c) type of event which they wish to stage in the facility;
9.18	(d) suggested terms of rentals; and
9.19	(e) responses of authority staff to these inquiries.
9.20	Sec. 2. Minnesota Statutes 2016, section 340A.404, subdivision 1, is amended to read:
9.21 9.22	Subdivision 1. <b>Cities.</b> (a) A city may issue an on-sale intoxicating liquor license to the following establishments located within its jurisdiction:
9.23	(1) hotels;
9.24	(2) restaurants;
9.25	(3) bowling centers;
9.26 9.27 9.28 9.29 9.30	(4) clubs or congressionally chartered veterans organizations with the approval of the commissioner, provided that the organization has been in existence for at least three years and liquor sales will only be to members and bona fide guests, except that a club may permit the general public to participate in a wine tasting conducted at the club under section 340A.419;

0.1	(5) sports facilities, restaurants, clubs, or bars located on land owned or leased by the Minnesota Sports Facilities Authority; and
0.3	(6) sports facilities located on land owned by the Metropolitan Sports Commission; and
0.4	$\frac{7}{6}$ exclusive liquor stores.
0.5	(b) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or
0.6	an on-sale malt liquor license to a theater within the city, notwithstanding any law, local
0.7	ordinance, or charter provision. A license issued under this paragraph authorizes sales on
8.0	all days of the week to persons attending events at the theater.
0.9	(c) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or
0.10	an on-sale malt liquor license to a convention center within the city, notwithstanding any
0.11	law, local ordinance, or charter provision. A license issued under this paragraph authorizes
0.12	sales on all days of the week to persons attending events at the convention center. This
0.13	paragraph does not apply to convention centers located in the seven-county metropolitan
0.14	area.
0.15	(d) A city may issue an on-sale wine license and an on-sale malt liquor license to a
0.16	person who is the owner of a summer collegiate league baseball team, or to a person holding
0.17	a concessions or management contract with the owner, for beverage sales at a ballpark or
0.18	stadium located within the city for the purposes of summer collegiate league baseball games
0.19	at the ballpark or stadium, notwithstanding any law, local ordinance, or charter provision.
0.20	A license issued under this paragraph authorizes sales on all days of the week to persons
0.21	attending baseball games at the ballpark or stadium.
0.22	Sec. 3. Minnesota Statutes 2016, section 352.01, subdivision 2a, is amended to read:
0.23	Subd. 2a. Included employees. (a) "State employee" includes:
0.24	(1) employees of the Minnesota Historical Society;
0.25	(2) employees of the State Horticultural Society;
0.26	(3) employees of the Minnesota Crop Improvement Association;
0.27 0.28	(4) employees of the adjutant general whose salaries are paid from federal funds and who are not covered by any federal civilian employees retirement system;
0.29	(5) employees of the Minnesota State Colleges and Universities who are employed under the university or college activities program;

11.1 11.2 11.3	(6) currently contributing employees covered by the system who are temporarily employed by the legislature during a legislative session or any currently contributing employee employed for any special service as defined in subdivision 2b, clause (6);
11.4 11.5	(7) employees of the legislature who are appointed without a limit on the duration of their employment;
11.6 11.7 11.8	(8) trainees who are employed on a full-time established training program performing the duties of the classified position for which they will be eligible to receive immediate appointment at the completion of the training period;
11.9	(9) employees of the Minnesota Safety Council;
11.10 11.11 11.12 11.13	(10) any employees who are on authorized leave of absence from the Transit Operating Division of the former Metropolitan Transit Commission and who are employed by the labor organization which is the exclusive bargaining agent representing employees of the Transit Operating Division;
11.14 11.15 11.16 11.17	(11) employees of the Metropolitan Council, Metropolitan Parks and Open Space Commission, Metropolitan Sports Facilities Commission, or Metropolitan Mosquito Control Commission unless excluded under subdivision 2b or are covered by another public pension fund or plan under section 473.415, subdivision 3;
11.18	(12) judges of the Tax Court;
11.19 11.20 11.21 11.22 11.23	(13) personnel who were employed on June 30, 1992, by the University of Minnesota in the management, operation, or maintenance of its heating plant facilities, whose employment transfers to an employer assuming operation of the heating plant facilities, so long as the person is employed at the University of Minnesota heating plant by that employer or by its successor organization;
11.24 11.25	(14) personnel who are employed as seasonal employees in the classified or unclassified service;
11.26 11.27 11.28	(15) persons who are employed by the Department of Commerce as a peace officer in the Commerce Fraud Bureau under section 45.0135 who have attained the mandatory retirement age specified in section 43A.34, subdivision 4;
11.29 11.30	(16) employees of the University of Minnesota unless excluded under subdivision 2b, clause (3);

11.31 11.32	(17) employees of the Middle Management Association whose employment began after July 1, 2007, and to whom section 352.029 does not apply;
12.1 12.2	(18) employees of the Minnesota Government Engineers Council to whom section 352.029 does not apply;
12.3	(19) employees of the Minnesota Sports Facilities Authority;
12.4	(20) employees of the Minnesota Association of Professional Employees;
12.5	(21) employees of the Minnesota State Retirement System;
12.6	(22) employees of the State Agricultural Society;
12.7 12.8	(23) employees of the Gillette Children's Hospital Board who were employed in the state unclassified service at the former Gillette Children's Hospital on March 28, 1974; and
12.9 12.10	(24) if approved for coverage by the Board of Directors of Conservation Corps Minnesota employees of Conservation Corps Minnesota so employed on June 30, 2003.
12.11 12.12 12.13 12.14 12.15 12.16	(b) Employees specified in paragraph (a), clause (13), are included employees under paragraph (a) if employer and employee contributions are made in a timely manner in the amounts required by section 352.04. Employee contributions must be deducted from salary. Employer contributions are the sole obligation of the employer assuming operation of the University of Minnesota heating plant facilities or any successor organizations to that employer.
12.17	Sec. 4. Minnesota Statutes 2016, section 473.121, subdivision 5a, is amended to read:
12.18 12.19 12.20	Subd. 5a. <b>Metropolitan agency.</b> "Metropolitan agency" means the Metropolitan Parks and Open Space Commission, and the Metropolitan Airports Commission, and Metropolitan Sports Facilities Commission.
12.21	Sec. 5. Minnesota Statutes 2016, section 473.164, is amended to read:
12.22 12.23	473.164 <del>SPORTS,</del> AIRPORT <del>COMMISSIONS</del> <u>COMMISSION</u> TO PAY COUNCIL COSTS.
12.24 12.25 12.26	Subdivision 1. <b>Annually reimburse.</b> The Metropolitan Sports Facilities Commission and the Metropolitan Airports Commission shall annually reimburse the council for costs incurred by the council in the discharge of its responsibilities relating to the commission.

The costs may be charged against any revenue sources of the commission as determined by the commission. 12.29 Subd. 2. Estimates, budget, transfer. On or before May 1 of each year, the council shall transmit to each the commission an estimate of the costs which the council will incur in the discharge of its responsibilities related to the commission in the next budget year including, without limitation, costs in connection with the preparation, review, implementation and defense of plans, programs and budgets of the commission. Each The commission shall include the estimates in its budget for the next budget year and may transmit its comments concerning the estimated amount to the council during the budget review process. Prior to December 15 of each year, the amount budgeted by each the commission for the next budget year may be changed following approval by the council. During each budget year, the commission shall transfer budgeted funds to the council in 13.7 advance when requested by the council. 13.8 13.9 Subd. 3. **Final statement.** At the conclusion of each budget year, the council, in cooperation with each the commission, shall adopt a final statement of costs incurred by the council for each the commission. Where costs incurred in the budget year have exceeded the amount budgeted, each the commission shall transfer to the council the additional moneys needed to pay the amount of the costs in excess of the amount budgeted, and shall include a sum in its next budget. Any excess of budgeted costs over actual costs may be retained by the council and applied to the payment of budgeted costs in the next year. Sec. 6. Minnesota Statutes 2016, section 473.565, subdivision 1, is amended to read: Subdivision 1. In MSRS; exceptions. All employees of the former commission shall be members of the Minnesota State Retirement System with respect to service rendered on or after May 17, 1977, except as provided in this section. Sec. 7. Minnesota Statutes 2016, section 473.755, subdivision 4, is amended to read: Subd. 4. **Bylaws.** The authority shall adopt bylaws to establish rules of procedure, the 13.21 powers and duties of its officers, and other matters relating to the governance of the authority and the exercise of its powers. Except as provided in this section, the bylaws adopted under this subdivision shall be similar in form and substance to bylaws adopted by the Metropolitan Sports Facilities Commission pursuant to Minnesota Statutes 2012, section 473.553. Sec. 8. Minnesota Statutes 2016, section 473.763, subdivision 2, is amended to read: 13.27 Subd. 2. Acquisition. Subject to the rules of Major League Baseball, the governor and the Metropolitan Sports Facilities Commission must attempt to facilitate the formation of

a corporation to acquire the baseball franchise and to identify an individual private managing

13.30 13.31	owner of the corporation. The corporation formed to acquire the franchise shall have a capital structure in compliance with all of the following provisions:
14.1 14.2 14.3	(1) there may be two classes of capital stock: common stock and preferred stock. Both classes of stock must give holders voting rights with respect to any relocation or voluntary contraction of the franchise;
14.4 14.5 14.6 14.7 14.8 14.9 14.10	(2) the private managing owner must own no less than 25 percent and no more than 35 percent of the common stock. For purposes of this restriction, shares of common stock owned by the private managing owner include shares of common stock owned by any related taxpayer as defined in section 1313(c) of the Internal Revenue Code of 1986, as amended. Other than the rights of all other holders of common stock and preferred stock with respect to relocation or voluntary contraction of the franchise, the private managing owner must control all aspects of the operation of the corporation;
14.11 14.12	(3) other than the private managing owner, no individual or entity may own more than five percent of the common stock of the corporation;
14.13 14.14 14.15	(4) at least 50 percent of the ownership of the common stock must be sold to members of the general public in a general solicitation and a person or entity must not own more than one percent of common stock of the corporation; and
14.16 14.17 14.18 14.19 14.20	(5) the articles of incorporation, bylaws, and other governing documents must provide that the franchise may not move outside of the state or agree to voluntary contraction without approval of at least 75 percent of the shares of common stock and at least 75 percent of the shares of preferred stock. Notwithstanding any law to the contrary, these 75 percent approval requirements shall not be amended by the shareholders or by any other means.
14.21 14.22 14.23 14.24	Except as specifically provided by Laws 2006, chapter 257, no state agency may spend money from any state fund for the purpose of generating revenue under this subdivision or for the purpose of providing operating support or defraying operating losses of a professional baseball franchise.
14.25	Sec. 9. Minnesota Statutes 2016, section 473J.13, subdivision 3, is amended to read:
14.26 14.27 14.28 14.29 14.30	Subd. 3. <b>Public access.</b> The authority will work to maximize access for public and amateur sports, community, and civic events, and other public events in type and on terms consistent with those eurrently held at the existing football stadium, as defined in Minnesota Statutes 2012, section 473.551, subdivision 9. The authority may provide that these events have exclusive use of the premises at agreed-upon times subject to the scheduling rights of the NFL team under the lease or use agreement

- 15.1 Sec. 10. Minnesota Statutes 2016, section 473J.25, subdivision 3, is amended to read:
- 15.2 Subd. 3. Metropolitan Sports Facilities Commission abolished; interim powers
- conferred on authority. Upon transfer to the authority of all remaining assets, liabilities,
- 5.4 and obligations of the Metropolitan Sports Facilities Commission, in subdivision 2, the
- 5.5 Metropolitan Sports Facilities Commission is abolished. When the remaining assets,
- 15.6 liabilities, and obligations of the Metropolitan Sports Facilities Commission have been
- 15.7 transferred to the authority and the commission has been abolished, the powers and duties
- of the commission under Minnesota Statutes 2012, sections 473.551 to 473.599, and any
- other law shall devolve upon the authority, in addition to the powers and duties of the
- authority under chapter 473J, until the first NFL home game is played at the stadium.
- 15.11 Sec. 11. **REPEALER.**
- 15.12 Minnesota Statutes 2016, sections 137.50, subdivision 5; 473.551; 473.552; 473.553,
- subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13; 473.556, subdivisions 1, 2, 3, 4, 5,
- 15.14 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, and 17; 473.561; 473.564, subdivisions 2 and 3; 473.572;
- 15.15 473.581; 473.592, subdivision 1; 473.595; 473.598; 473.599; and 473.76, are repealed.
- 15.16 Sec. 12. EFFECTIVE DATE.
- 15.17 Sections 1 to 11 are effective June 30, 2017.