

Subject Football stadium financing

Authors Nelson, M.

Analyst Colbey Sullivan

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Overview

This bill establishes a stadium payoff fund and directs Minnesota Management and Budget (MMB) to use money in the fund to pay down early the bonds the state sold in 2014 to raise money necessary to partially fund US Bank Stadium in Minneapolis. According to MMB, as of the February forecast the outstanding principal on these bonds totaled approximately \$409 million.

Under current law, MMB is authorized, but not required, to use revenue in an existing stadium reserve account to prepay these bonds after consulting the Legislative Commission on Planning and Fiscal Policy (Minn. Stat. § 297E.021, subd. 4).

Summary

Section	Description
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1	Stadium payoff fund.
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Establishes a new fund in the state treasury. Annually allocates to the fund the balance in the existing stadium reserve account that is in excess of the greater of (1) stadium-related expenses, or (2) \$44,000,000. Appropriates money in the new stadium payoff fund to MMB to pay down the stadium bonds early. Authorizes MMB, after consulting the Legislative Advisory Commission, to move money from the stadium payoff fund to the general fund if necessary to offset a shortfall in the portion of Minneapolis sales tax revenues that are retained in the general fund beginning in 2021 to pay for the city's share of stadium-related expenses. Requires MMB to report specified information to the legislature each year.

Under current law and the bill, annual stadium-related expenses include stadium bond debt service for the state and city of Minneapolis, stadium operating costs and capital reserve contributions, sports facility grants to the city of St. Paul, and problem gambling expenditures. In fiscal year 2020, stadium reserve account spending totaled approximately \$42,000,000.

Section	Description
2	<p>Available revenues.</p> <p>Deletes a provision authorizing the annual deposit of up to \$20,000,000 of corporate franchise tax proceeds in the stadium reserve account. Similar authority is provided in the next section.</p>
3	<p>Revenue dedication.</p> <p>Authorizes MMB to deposit up to \$20,000,000 of corporate franchise tax proceeds in the stadium reserve account each year. Requires MMB to notify the legislature at least 15 days before increasing available stadium reserve account revenues and specifies that any such increase must continue in subsequent fiscal years.</p>
4	<p>Appropriation; general reserve account.</p> <p>Technical, conforming change.</p>
5	<p>Conditional repealer.</p> <p>Requires MMB to report to the legislature no later than 30 days after the stadium bonds are redeemed or defeased. Specifies that 60 days after MMB reports redemption of defeasance, the statute authorizing backup sources of revenue for stadium expenses expires. These backup sources are a sports-themed lottery game and a suite tax.</p>



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