

1.1 CONFERENCE COMMITTEE REPORT ON H. F. No. 778

1.2 A bill for an act

1.3 relating to the Minnesota Sports Facilities Authority; providing for classification
 1.4 of certain data; modifying appointments to the authority board; modifying duties;
 1.5 restricting the use of stadium suites; amending Minnesota Statutes 2016, sections
 1.6 13.55, subdivision 2; 473J.07, subdivisions 2, 3, 4, 8, by adding a subdivision;
 1.7 473J.09, subdivisions 6, 13, by adding subdivisions; 473J.13, by adding a
 1.8 subdivision; repealing Minnesota Statutes 2016, section 473J.09, subdivision 14.

1.9 May 19, 2017

1.10 The Honorable Kurt L. Daudt

1.11 Speaker of the House of Representatives

1.12 The Honorable Michelle L. Fischbach

1.13 President of the Senate

1.14 We, the undersigned conferees for H. F. No. 778 report that we have agreed upon the
 1.15 items in dispute and recommend as follows:

1.16 That the Senate recede from its amendments and that H. F. No. 778 be further amended
 1.17 as follows:

1.18 Delete everything after the enacting clause and insert:

1.19 **"ARTICLE 1**

1.20 **MINNESOTA SPORTS FACILITIES AUTHORITY**

1.21 Section 1. Minnesota Statutes 2016, section 13.55, subdivision 2, is amended to read:

1.22 Subd. 2. **Public data.** (a) The data made not public by the provisions of subdivision 1
 1.23 shall become public upon the occurrence of any of the following:

1.24 ~~(a)~~ (1) five years elapse from the date on which the lease or contract is entered into
 1.25 between the facility and the inquiring party or parties or the event which was the subject of
 1.26 inquiry occurs at the facility, whichever occurs earlier;

1.27 ~~(b)~~ (2) the event which was the subject of inquiry does not occur; or

2.1 ~~(e)~~ (3) the event which was the subject of inquiry occurs elsewhere.

2.2 (b) Data regarding persons receiving free or discounted admission, tickets, or other gifts
 2.3 from publicly owned and operated convention facilities, civic center authorities, or the
 2.4 Minnesota Sports Facilities Authority are public data unless the data are subject to the
 2.5 provisions of subdivision 1 or 4, paragraph (b).

2.6 Sec. 2. Minnesota Statutes 2016, section 16A.965, is amended by adding a subdivision to
 2.7 read:

2.8 Subd. 11. **Prepayment of bonds.** In each fiscal year in which there is reduction in the
 2.9 payment for stadium operating expenses under section 473J.13, subdivision 2, paragraph
 2.10 (b), clause (2), the commissioner shall set aside an amount equal to that reduction in a
 2.11 separate account in the general fund. When a sufficient amount has accumulated in that
 2.12 account to make it practicable, the commissioner must use amounts in the account to prepay
 2.13 or defease bonds in a manner that preserves the tax exempt status of the bonds.

2.14 **EFFECTIVE DATE.** This section is effective beginning with fiscal year 2018.

2.15 Sec. 3. Minnesota Statutes 2016, section 297A.994, subdivision 4, is amended to read:

2.16 Subd. 4. **General fund allocations.** The commissioner must retain and deposit to the
 2.17 general fund the following amounts, as required by subdivision 3, clause (3):

2.18 (1) for state bond debt service support beginning in calendar year 2021, and for each
 2.19 calendar year thereafter through calendar year 2046, periodic amounts so that not later than
 2.20 December 31, 2046, an aggregate amount equal to a present value of \$150,000,000 has been
 2.21 deposited in the general fund. To determine aggregate present value, the commissioner must
 2.22 consult with the commissioner of management and budget regarding the present value dates,
 2.23 discount rate or rates, and schedules of annual amounts. The present value date or dates
 2.24 must be based on the date or dates bonds are sold under section 16A.965, or the date or
 2.25 dates other state funds, if any, are deposited into the construction fund. The discount rate
 2.26 or rates must be based on the true interest cost of the bonds issued under section 16A.965,
 2.27 or an equivalent 30-year bond index, as determined by the commissioner of management
 2.28 and budget. The schedule of annual amounts must be certified to the commissioner by the
 2.29 commissioner of management and budget and the finance officer of the city;

2.30 (2) for the capital improvement reserve appropriation to the Minnesota Sports Facilities
 2.31 Authority beginning in calendar year 2021, and for each calendar year thereafter through

3.1 calendar year 2046, an aggregate annual amount equal to the amount paid by the state for
3.2 this purpose in that calendar year under section 473J.13, subdivision 4;

3.3 (3) for the operating expense appropriation to the Minnesota Sports Facilities Authority
3.4 beginning in calendar year 2021, and for each calendar year thereafter through calendar
3.5 year 2046, an aggregate annual amount equal to the amount paid by the state for this purpose
3.6 in that calendar year under section 473J.13, subdivision 2, determined without regard to the
3.7 reduction under section 473J.13, subdivision 2, paragraph (b), clause (2);

3.8 (4) for recapture of state advances for capital improvements and operating expenses for
3.9 calendar years 2016 through 2020 beginning in calendar year 2021, and for each calendar
3.10 year thereafter until all amounts under this clause have been paid, proportionate amounts
3.11 periodically until an aggregate amount equal to the present value of all amounts paid by the
3.12 state have been deposited in the general fund. To determine the present value of the amounts
3.13 paid by the state to the authority and the present value of amounts deposited to the general
3.14 fund under this clause, the commissioner shall consult with the commissioner of management
3.15 and budget regarding the present value dates, discount rate or rates, and schedule of annual
3.16 amounts. The present value dates must be based on the dates state funds are paid to the
3.17 authority, or the dates the commissioner of revenue deposits taxes for purposes of this clause
3.18 to the general fund. The discount rates must be based on the reasonably equivalent cost of
3.19 state funds as determined by the commissioner of management and budget. The schedule
3.20 of annual amounts must be revised to reflect amounts paid under section 473J.13, subdivision
3.21 2, paragraph (b), for 2016 to 2020, and subdivision 4, paragraph (c), for 2016 to 2020, and
3.22 taxes deposited to the general fund from time to time under this clause, and the schedule
3.23 and revised schedules must be certified to the commissioner by the commissioner of
3.24 management and budget and the finance officer of the city, and are transferred as accrued
3.25 from the general fund for repayment of advances made by the state to the authority.

3.26 Determination of the present value amounts must be made without regard to any reduction
3.27 in the state advances resulting from the reduction in the payments under section 473J.13,
3.28 subdivision 2, paragraph (b), clause (2); and

3.29 (5) to capture increases in taxes imposed under the special law, for the benefit of the
3.30 Minnesota Sports Facilities Authority, beginning in calendar year 2013 and for each calendar
3.31 year thereafter through 2046, there shall be deposited to the general fund in proportionate
3.32 periodic payments in the following year, an amount equal to the following:

3.33 (i) 50 percent of the difference, if any, by which the amount of the net annual taxes for
3.34 the previous year exceeds the sum of the net actual taxes in calendar year 2011 plus
3.35 \$1,000,000, inflated at two percent per year since 2011, minus

4.1 (ii) 25 percent of the difference, if any, by which the amount of the net annual taxes for
4.2 the preceding year exceeds the sum of the net actual taxes in calendar year 2011 plus
4.3 \$3,000,000, inflated at two percent per year since 2011.

4.4 **EFFECTIVE DATE.** This section is effective upon compliance by the governing body
4.5 of the city of Minneapolis with Minnesota Statutes, section 645.021.

4.6 Sec. 4. Minnesota Statutes 2016, section 473J.03, is amended by adding a subdivision to
4.7 read:

4.8 Subd. 13. **Stadium space.** "Stadium space" means a seat, personal seat license, suite,
4.9 club room, parking, or any other part of the stadium or license to access any part of the
4.10 stadium that a member of the general public would have to pay to use or access.

4.11 Sec. 5. Minnesota Statutes 2016, section 473J.07, subdivision 2, is amended to read:

4.12 Subd. 2. **Membership.** (a) The authority shall consist of five members.

4.13 (b) ~~The chair and two~~ Three members shall be appointed by the governor and confirmed
4.14 by the house of representatives and the senate. One member appointed by the governor shall
4.15 serve until December 31 of the third year following appointment and one member shall
4.16 serve until December 31 of the fourth year following appointment. Thereafter, members
4.17 appointed by the governor shall serve four-year terms, beginning January 1. Each member
4.18 serves until a successor is appointed and takes office unless removed by the appointing
4.19 authority for cause. Cause for removal includes violation of the employee code of ethics in
4.20 section 43A.38. ~~The chair serves at the pleasure of the governor.~~

4.21 (c) The mayor of the city shall appoint and the house of representatives and the senate
4.22 shall confirm two members to the authority. One member appointed by the mayor of the
4.23 city shall serve until December 31 of the third year following appointment and one member
4.24 shall serve until December 31 of the fourth year following appointment. Thereafter, members
4.25 appointed under this paragraph shall serve four-year terms beginning January 1. Each
4.26 member serves until a successor is appointed and takes office unless removed by the
4.27 appointing authority for cause. Cause for removal includes violation of the employee code
4.28 of ethics in section 43A.38. Members appointed under this paragraph may reside within the
4.29 city and may be appointed officials of a political subdivision.

4.30 ~~(d) The initial members of the authority must be appointed not later than June 13, 2012.~~

4.31 **EFFECTIVE DATE.** This section is effective the day following final enactment and
4.32 applies to members appointed on or after the day following final enactment.

5.1 Sec. 6. Minnesota Statutes 2016, section 473J.07, subdivision 3, is amended to read:

5.2 Subd. 3. **Compensation.** The authority may compensate its members, ~~other than the~~
5.3 ~~chair,~~ as provided in section 15.0575. The chair shall receive, ~~unless otherwise provided by~~
5.4 ~~other law, a salary in an amount fixed by the authority, no more than half of the salary of~~
5.5 the executive director of the authority in fiscal year 2018 and shall be reimbursed for
5.6 reasonable expenses to the same extent as a member. Beginning in fiscal year 2019, the
5.7 chair shall receive the same compensation as other board members and shall be reimbursed
5.8 for reasonable expenses to the same extent as a member.

5.9 Sec. 7. Minnesota Statutes 2016, section 473J.07, subdivision 4, is amended to read:

5.10 Subd. 4. **Chair.** The chair presides at all meetings of the authority, if present, and
5.11 performs all other assigned duties and functions. The members of the authority shall
5.12 biennially elect a chair from among its members. The authority may appoint from among
5.13 its members a vice-chair to act for the chair during the temporary absence or disability of
5.14 the chair, and any other officers the authority determines are necessary or convenient.

5.15 Sec. 8. Minnesota Statutes 2016, section 473J.07, subdivision 7, is amended to read:

5.16 Subd. 7. **Audit.** The legislative auditor shall audit the books and accounts of the authority
5.17 once each year or as often as the legislative auditor's funds and personnel permit. The
5.18 authority shall pay the total cost of the audit pursuant to section 3.9741. The legislative
5.19 auditor may conduct examinations of the authority's finances, budgets, expenditures,
5.20 revenues, and its operation. The legislative auditor may periodically examine the authority's
5.21 use of stadium space by the authority's members, staff, family, friends, charitable
5.22 organizations, and vendors.

5.23 Sec. 9. Minnesota Statutes 2016, section 473J.07, subdivision 8, is amended to read:

5.24 Subd. 8. **Executive director; employees.** The authority may appoint an executive director
5.25 to serve as the chief executive officer of the authority. The executive director serves at the
5.26 pleasure of the authority and receives compensation as determined by the authority not to
5.27 exceed \$135,000. The executive director may be responsible for the operation, management,
5.28 and promotion of activities of the authority, as prescribed by the authority. The executive
5.29 director has the powers necessarily incident to the performance of duties required and powers
5.30 granted by the authority, but does not have authority to incur liability or make expenditures
5.31 on behalf of the authority without general or specific directions by the authority, as shown
5.32 by the bylaws or minutes of a meeting of the authority. The executive director is responsible

6.1 for hiring, supervision, and dismissal of all other employees of the authority. The authority
6.2 must conduct an annual employee evaluation of the executive director, which must be
6.3 reviewed and approved by the entire board.

6.4 Sec. 10. Minnesota Statutes 2016, section 473J.07, is amended by adding a subdivision
6.5 to read:

6.6 Subd. 8a. **Budget; report.** After adoption, the authority shall submit its annual budget
6.7 to the commissioner of management and budget and to the chairs and ranking minority
6.8 members of the senate finance and house of representatives ways and means committees.

6.9 Sec. 11. Minnesota Statutes 2016, section 473J.07, subdivision 9, is amended to read:

6.10 Subd. 9. **Web site.** The authority shall establish a Web site for purposes of providing
6.11 information to the public concerning all actions taken by the authority. At a minimum, the
6.12 Web site must contain a current version of the authority's bylaws, notices of upcoming
6.13 meetings, minutes of the authority's meetings, each annual budget, each use agreement,
6.14 each management agreement, each sponsorship agreement, meeting minutes for all meetings,
6.15 policies, and procedures, and contact telephone, electronic mail, and facsimile numbers for
6.16 public comments. This subdivision does not apply to information that is classified as not
6.17 public data, as defined in section 13.02, subdivision 8a, under other law.

6.18 Sec. 12. Minnesota Statutes 2016, section 473J.09, subdivision 6, is amended to read:

6.19 Subd. 6. **Employees; contracts for services.** The authority may employ persons and
6.20 contract for services necessary to carry out its functions, including the utilization of
6.21 employees and consultants retained by other governmental entities. As a condition of
6.22 employment, employees selected by the authority may not engage in partisan political
6.23 activities. The authority shall enter into an agreement with the city regarding traffic control
6.24 for the stadium.

6.25 Sec. 13. Minnesota Statutes 2016, section 473J.09, subdivision 13, is amended to read:

6.26 Subd. 13. **Legislative report.** The authority must report to the Legislative Commission
6.27 on Minnesota Sports Facilities and the chairs and ranking minority members of the legislative
6.28 committees with jurisdiction over state government finance and to the senate Finance
6.29 Committee and the house of representatives Ways and Means Committee by January 15 of
6.30 each year on the following:

6.31 (1) any recommended increases in the rate or dollar amount of tax;

7.1 (2) any recommended increases in the debt of the authority;

7.2 (3) the overall work and role of the authority;

7.3 (4) the authority's proposed operating and capital budgets; ~~and~~

7.4 (5) the authority's implementation of the operating and capital budgets, including
 7.5 information on actual revenues and expenditures, events conducted, and all expected or
 7.6 unexpected maintenance and capital repair needs arising since the time of the last report;
 7.7 and

7.8 (6) a listing of all stadium amenities under the control of the authority since the time of
 7.9 the last report, and how the amenities were used.

7.10 Sec. 14. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision
 7.11 to read:

7.12 Subd. 16. Consignment agreement; authority's suites. (a) The authority must negotiate
 7.13 an agreement providing for consignment of the authority's suites to the primary tenant
 7.14 consistent with the use agreement and subject to this subdivision. The final terms of the
 7.15 consignment must be approved by the chairs of the committees of the house of representatives
 7.16 and the senate with jurisdiction over state government finance and must include the following:

7.17 (1) the primary tenant is the consignee and must make all commercially reasonable
 7.18 efforts to sell access to the suites to third parties;

7.19 (2) the authority must receive a percentage of the revenues from consignment of the
 7.20 suites each year equal to at least 90 percent of the first \$400,000 of revenue and 65 percent
 7.21 of any amount in excess of that and the amount of revenue retained by the primary tenant
 7.22 must not exceed its actual transaction, marketing, and administrative costs that it would not
 7.23 have incurred but for the consignment;

7.24 (3) the authority may agree to retain for its management vendor an option to access one
 7.25 suite during not more than two NFL games conducted in the stadium each calendar year
 7.26 for marketing purposes; and

7.27 (4) the terms of the consignment agreement are effective for a period of five years
 7.28 beginning no later than August 1, 2017, and must be renegotiated no later than August 1,
 7.29 2022, and every five years thereafter.

7.30 (b) Data collected, created, or maintained by the authority related to negotiation of the
 7.31 consignment required by this paragraph are nonpublic data, as defined in section 13.02,
 7.32 subdivision 9, if the data derives independent economic value, actual or potential, from not

8.1 being generally known to, and not being readily ascertainable by, other persons who can
 8.2 obtain economic value from its disclosure or use, provided that all data related to the
 8.3 consignment, including data classified by this paragraph, are public five years after the
 8.4 terms of the consignment expire. Data provided to the legislative chairs under the approval
 8.5 requirement in paragraph (a) may not be disclosed without the consent of the primary tenant.

8.6 (c) The authority must use revenues from the consignment agreement to pay the operating
 8.7 expenses of the stadium.

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

8.9 Sec. 15. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision
 8.10 to read:

8.11 **Subd. 17. Report on stadium space use by authority members, staff, and vendors.**
 8.12 The authority shall report the following information annually to the governor, the mayor of
 8.13 the city of Minneapolis, the chair of the Legislative Commission on Minnesota Sports
 8.14 Facilities, and the chairs and ranking minority members of the senate Finance Committee
 8.15 and the house of representatives Ways and Means Committee regarding use of stadium
 8.16 space by authority members, staff, family, friends, charitable organizations, and vendors or
 8.17 their guests:

8.18 (1) the costs of use;

8.19 (2) the identity of each adult attendee and their legitimate business purpose for attendance;

8.20 (3) the date, time, and a general description of the stadium event at which the suite was
 8.21 used; and

8.22 (4) the value and description of any food, parking, or other benefits provided to attendees.

8.23 Sec. 16. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision
 8.24 to read:

8.25 **Subd. 18. Code of conduct.** The authority shall adopt and comply with the latest version
 8.26 of the state code of conduct promulgated by Minnesota Management and Budget. For
 8.27 purposes of section 43A.38 as applied to the authority, an authority member or an authority
 8.28 staff member is an "employee of the executive branch"; use of or preferential access to
 8.29 stadium space by an authority member or by authority staff, unless permitted under this
 8.30 section, constitutes a "gift" under section 43A.38, subdivision 2; and constitutes "use of
 8.31 state property for the employee's private interest" under section 43A.48, subdivision 4.

9.1 Sec. 17. **[473J.095] AUTHORITY'S USE OF STADIUM SPACE.**

9.2 Subdivision 1. **Application.** The restrictions in this section apply to the use of stadium
 9.3 space provided to the authority under the terms of the lease or use agreement required under
 9.4 section 473J.15, subdivision 3.

9.5 Subd. 2. **Use of stadium space by authority members and staff.** (a) Authority members
 9.6 and authority staff, including the executive director of the authority, may not use stadium
 9.7 space unless the use is for a legitimate business purpose. For purposes of this subdivision,
 9.8 "legitimate business purpose" means:

9.9 (1) participating in a marketing effort arranged by the authority's management vendor;

9.10 (2) conducting oversight of the operation of the stadium; or

9.11 (3) making stadium space available to nonprofit charitable organizations to provide
 9.12 access to events at the stadium for people served by the charitable organization.

9.13 The executive director of the authority must ensure that use of stadium space does not
 9.14 violate open meeting laws.

9.15 (b) Use of stadium space by authority staff must be based on an express written
 9.16 assignment of duties by the executive director or, in the case of use by the executive director,
 9.17 an express written assignment of duties by the authority chair. In all cases, use of stadium
 9.18 space by authority staff must be approved by a vote of the authority at a public meeting,
 9.19 and the legitimate business purpose for use must be made a part of the public record.

9.20 Authority staff may not be provided free food, beverages, or stadium parking unless necessary
 9.21 to complete the assigned duties.

9.22 Subd. 4. **Use of stadium space by family, friends, and other guests.** The authority or
 9.23 its members may not grant access to stadium space to family members, friends, or other
 9.24 guests of the authority's members or staff unless the use is for a legitimate business purpose.
 9.25 The use must be approved by a vote of the authority at a public meeting, and the legitimate
 9.26 business purpose must be made a part of the public record. For purposes of this subdivision,
 9.27 "legitimate business purpose" means being a prospective user of the stadium.

9.28 Subd. 5. **Use of stadium space by managing vendor.** If the authority contracts with a
 9.29 management vendor for services to market the stadium, the authority may extend to the
 9.30 vendor complimentary access to stadium space for the purpose of marketing the stadium to
 9.31 prospective users, provided the contract requires the vendor to report to the authority the
 9.32 following information within 30 days after each event at which the vendor has used stadium
 9.33 space:

- 10.1 (1) the costs of use;
- 10.2 (2) the identity of each adult attendee and their legitimate business purpose for attendance;
- 10.3 (3) the date, time, and a general description of the stadium event at which the suite was
- 10.4 used; and
- 10.5 (4) the value and description of any food, parking, or other benefits provided to attendees.
- 10.6 Data that the authority receives under this subdivision is public data unless otherwise
- 10.7 classified by section 13.55.

10.8 Subd. 6. **Open market purchase.** This section does not prohibit an authority member,

10.9 authority staff, or family, friends, or other guests of authority members or staff from attending

10.10 events or renting stadium space, if a ticket or a right of access to the space was purchased

10.11 on the open market through the same channels, and for the same price, as those available

10.12 to the general public.

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

10.14 Sec. 18. Minnesota Statutes 2016, section 473J.13, subdivision 2, is amended to read:

10.15 Subd. 2. **Operating expenses.** (a) The authority must pay or cause to be paid all operating

10.16 expenses of the stadium. The authority must require in the lease or use agreement with the

10.17 NFL team that the NFL team pay the authority, beginning January 1, 2016, or other date as

10.18 mutually agreed upon by the parties, toward operating costs of the stadium, \$8,500,000

10.19 each year, increased by a three percent annual inflation rate.

10.20 (b)(1) Beginning January 1, 2016, or other date as mutually agreed upon by the parties,

10.21 and continuing through 2020, the state shall pay the authority operating expenses, \$6,000,000

10.22 each year, increased by an annual adjustment factor. The payment of \$6,000,000 per year

10.23 beginning in 2016 is a payment by the state, which shall be repaid to the state, using funds

10.24 as provided under section 297A.994, subdivision 4, clause (4). After 2020, the state shall

10.25 assume this payment, using funds generated in accordance with the city of Minneapolis as

10.26 specified under section 297A.994, subdivision 4, clause (3);

10.27 (2) beginning for fiscal year 2018 through fiscal year 2022, the payment under this

10.28 section must be reduced by the greater of (i) \$400,000 or (ii) the additional revenue received

10.29 by the authority under the consignment under section 473J.09, subdivision 16, in the prior

10.30 fiscal year; and

11.1 (3) beginning for fiscal year 2023, the payment under this section must be reduced by
 11.2 the additional revenue received by the authority under the consignment under section 473J.09,
 11.3 subdivision 16, in the prior fiscal year.

11.4 (c) The authority may establish an operating reserve to cover operating expense shortfalls
 11.5 and may accept funds from any source for deposit in the operating reserve. The establishment
 11.6 or funding of an authority operating reserve must not decrease the amounts required to be
 11.7 paid to the authority toward operating costs under this subdivision unless agreed to by the
 11.8 authority.

11.9 (d) The authority will be responsible for operating cost overruns.

11.10 (e) After the joint selection of the third-party manager or program manager, the authority
 11.11 may agree with a program manager or other third-party manager of the stadium on a fixed
 11.12 cost operating, management, or employment agreement with operating cost protections
 11.13 under which the program manager or third-party manager assumes responsibility for stadium
 11.14 operating costs and shortfalls. The agreement with the manager must require the manager
 11.15 to prepare an initial and ongoing operating plan and operating budgets for approval by the
 11.16 authority in consultation with the NFL team. The manager must agree to operate the stadium
 11.17 in accordance with the approved operating plan and operating budget.

11.18 **EFFECTIVE DATE.** This section is effective July 1, 2017.

11.19 Sec. 19. Minnesota Statutes 2016, section 473J.13, is amended by adding a subdivision
 11.20 to read:

11.21 **Subd. 2a. Operating expense fee.** If a provision is enacted exempting from the tax
 11.22 imposed under chapter 297A any amounts paid for rental, use, or access to suites, the
 11.23 authority may impose a fee equal to a percentage of the gross receipts received for the rental,
 11.24 use, or access to the suites in the stadium. If the authority elects to use the authority under
 11.25 this section, it must set the rate of the fee each year so that the estimated fee revenue for
 11.26 that year will not exceed the lesser of:

11.27 (1) the estimated reduction in operating expense payments under subdivision 2, paragraph
 11.28 (b), the net of the estimated consignment revenues to be received under section 473J.09,
 11.29 subdivision 16; or

11.30 (2) one-half of the reduction in tax under chapter 297A as a result of the enacted
 11.31 exemption.

12.1 Sec. 20. Minnesota Statutes 2016, section 473J.27, subdivision 2, is amended to read:

12.2 Subd. 2. **High school league.** The lessee of the stadium must make the facilities of the
 12.3 stadium available for use by the Minnesota State High School League for at least seven
 12.4 days each year for high school soccer and football tournaments. The lessee of the stadium
 12.5 must provide, and may not directly, or through a management company, charge the league
 12.6 a fee for, this use, including security, ticket takers, custodial or cleaning services, or other
 12.7 similar services in connection with this use.

12.8 Sec. 21. **RECOVERY.**

12.9 The Minnesota Sports Facilities Authority must make every effort to recover the fair
 12.10 market value of any food, parking, tickets, and access to stadium suites provided to a person
 12.11 prior to January 1, 2017, if the provision of those benefits to the person was not in the public
 12.12 interest. The authority shall report on recovery efforts to the commissioner of management
 12.13 and budget and to the chairs and ranking minority members of the senate finance and house
 12.14 of representatives ways and means committees by May 31, 2017. Money recovered under
 12.15 this section is transferred by July 1, 2017, to the commissioner of management and budget
 12.16 for deposit in the general reserve account established under Minnesota Statutes, section
 12.17 297E.021, subdivision 4.

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

12.19 Sec. 22. **LEGISLATIVE AUDITOR REVIEW.**

12.20 (a) No later than January 15, 2018, the legislative auditor is requested to review the
 12.21 operations and management structure of major sports event facilities in Minnesota that are
 12.22 both publicly owned and publicly operated. Upon completion, the review must be submitted
 12.23 to the chairs and ranking minority members of the legislative committees with jurisdiction
 12.24 over state government finance, and to the Legislative Commission on Minnesota Sports
 12.25 Facilities.

12.26 (b) At a minimum, the review must consider:

12.27 (1) the structure and oversight responsibilities of each facility's public governing body;

12.28 (2) whether the public governing bodies have access to tickets, suites, or other premium
 12.29 amenities for events conducted in the facilities they oversee, including the terms under
 12.30 which the access is provided; and

13.1 (3) whether the public governing bodies have adopted policies or procedures to ensure
 13.2 their oversight activities, including those of individual members acting on behalf of the
 13.3 governing body, are transparent and in furtherance of the public interest.

13.4 (c) The review must compare and contrast the practices of each public governing body
 13.5 and may recommend best practices for improving the governance, operations, and public
 13.6 accountability of each body. As necessary, the review may also propose any changes in law
 13.7 necessary to implement these best practices.

13.8 Sec. 23. **REPEALER.**

13.9 Minnesota Statutes 2016, section 473J.09, subdivision 14, is repealed.

13.10 Sec. 24. **EFFECTIVE DATE.**

13.11 This act is effective the day following final enactment. The terms of all current members
 13.12 of the Minnesota Sports Facilities Authority terminate June 30, 2017. Appointing authorities
 13.13 must appoint new members of the authority by June 10, 2017, to serve terms beginning July
 13.14 1, 2017.

13.15 **ARTICLE 2**

13.16 **METROPOLITAN SPORTS FACILITIES COMMISSION TECHNICAL CHANGES**

13.17 Section 1. Minnesota Statutes 2016, section 13.55, subdivision 1, is amended to read:

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

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

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

13.26 (c) type of event which they wish to stage in the facility;

13.27 (d) suggested terms of rentals; and

13.28 (e) responses of authority staff to these inquiries.

14.1 Sec. 2. Minnesota Statutes 2016, section 340A.404, subdivision 1, is amended to read:

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

14.4 (1) hotels;

14.5 (2) restaurants;

14.6 (3) bowling centers;

14.7 (4) clubs or congressionally chartered veterans organizations with the approval of the
14.8 commissioner, provided that the organization has been in existence for at least three years
14.9 and liquor sales will only be to members and bona fide guests, except that a club may permit
14.10 the general public to participate in a wine tasting conducted at the club under section
14.11 340A.419;

14.12 (5) sports facilities, restaurants, clubs, or bars located on land owned or leased by the
14.13 Minnesota Sports Facilities Authority; and

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

14.15 ~~(7)~~ (6) exclusive liquor stores.

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

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

14.26 (d) A city may issue an on-sale wine license and an on-sale malt liquor license to a
14.27 person who is the owner of a summer collegiate league baseball team, or to a person holding
14.28 a concessions or management contract with the owner, for beverage sales at a ballpark or
14.29 stadium located within the city for the purposes of summer collegiate league baseball games
14.30 at the ballpark or stadium, notwithstanding any law, local ordinance, or charter provision.
14.31 A license issued under this paragraph authorizes sales on all days of the week to persons
14.32 attending baseball games at the ballpark or stadium.

15.1 Sec. 3. Minnesota Statutes 2016, section 352.01, subdivision 2a, is amended to read:

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

15.3 (1) employees of the Minnesota Historical Society;

15.4 (2) employees of the State Horticultural Society;

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

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

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

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

15.13 (7) employees of the legislature who are appointed without a limit on the duration of
15.14 their employment;

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

15.18 (9) employees of the Minnesota Safety Council;

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

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

15.27 (12) judges of the Tax Court;

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

16.1 long as the person is employed at the University of Minnesota heating plant by that employer
 16.2 or by its successor organization;

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

16.5 (15) persons who are employed by the Department of Commerce as a peace officer in
 16.6 the Commerce Fraud Bureau under section 45.0135 who have attained the mandatory
 16.7 retirement age specified in section 43A.34, subdivision 4;

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

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

16.12 (18) employees of the Minnesota Government Engineers Council to whom section
 16.13 352.029 does not apply;

16.14 (19) employees of the Minnesota Sports Facilities Authority;

16.15 (20) employees of the Minnesota Association of Professional Employees;

16.16 (21) employees of the Minnesota State Retirement System;

16.17 (22) employees of the State Agricultural Society;

16.18 (23) employees of the Gillette Children's Hospital Board who were employed in the
 16.19 state unclassified service at the former Gillette Children's Hospital on March 28, 1974; and

16.20 (24) if approved for coverage by the Board of Directors of Conservation Corps Minnesota,
 16.21 employees of Conservation Corps Minnesota so employed on June 30, 2003.

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

16.28 Sec. 4. Minnesota Statutes 2016, section 473.121, subdivision 5a, is amended to read:

16.29 Subd. 5a. **Metropolitan agency.** "Metropolitan agency" means the Metropolitan Parks
 16.30 and Open Space Commission; and the Metropolitan Airports Commission; ~~and Metropolitan~~
 16.31 ~~Sports Facilities Commission.~~

17.1 Sec. 5. Minnesota Statutes 2016, section 473.164, is amended to read:

17.2 **473.164 ~~SPORTS, AIRPORT COMMISSIONS~~ COMMISSION TO PAY COUNCIL**
 17.3 **COSTS.**

17.4 Subdivision 1. **Annually reimburse.** ~~The Metropolitan Sports Facilities Commission~~
 17.5 ~~and the Metropolitan Airports Commission~~ shall annually reimburse the council for costs
 17.6 incurred by the council in the discharge of its responsibilities relating to the commission.
 17.7 The costs may be charged against any revenue sources of the commission as determined
 17.8 by the commission.

17.9 Subd. 2. **Estimates, budget, transfer.** On or before May 1 of each year, the council
 17.10 shall transmit to ~~each~~ the commission an estimate of the costs which the council will incur
 17.11 in the discharge of its responsibilities related to the commission in the next budget year
 17.12 including, without limitation, costs in connection with the preparation, review,
 17.13 implementation and defense of plans, programs and budgets of the commission. ~~Each~~ The
 17.14 commission shall include the estimates in its budget for the next budget year and may
 17.15 transmit its comments concerning the estimated amount to the council during the budget
 17.16 review process. Prior to December 15 of each year, the amount budgeted by ~~each~~ the
 17.17 commission for the next budget year may be changed following approval by the council.
 17.18 During each budget year, the commission shall transfer budgeted funds to the council in
 17.19 advance when requested by the council.

17.20 Subd. 3. **Final statement.** At the conclusion of each budget year, the council, in
 17.21 cooperation with ~~each~~ the commission, shall adopt a final statement of costs incurred by
 17.22 the council for ~~each~~ the commission. Where costs incurred in the budget year have exceeded
 17.23 the amount budgeted, ~~each~~ the commission shall transfer to the council the additional moneys
 17.24 needed to pay the amount of the costs in excess of the amount budgeted, and shall include
 17.25 a sum in its next budget. Any excess of budgeted costs over actual costs may be retained
 17.26 by the council and applied to the payment of budgeted costs in the next year.

17.27 Sec. 6. Minnesota Statutes 2016, section 473.565, subdivision 1, is amended to read:

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

18.1 Sec. 7. Minnesota Statutes 2016, section 473.755, subdivision 4, is amended to read:

18.2 Subd. 4. **Bylaws.** The authority shall adopt bylaws to establish rules of procedure, the
18.3 powers and duties of its officers, and other matters relating to the governance of the authority
18.4 and the exercise of its powers. Except as provided in this section, the bylaws adopted under
18.5 this subdivision shall be similar in form and substance to bylaws adopted by the Metropolitan
18.6 Sports Facilities Commission pursuant to Minnesota Statutes 2012, section 473.553.

18.7 Sec. 8. Minnesota Statutes 2016, section 473.763, subdivision 2, is amended to read:

18.8 Subd. 2. **Acquisition.** Subject to the rules of Major League Baseball, the governor ~~and~~
18.9 ~~the Metropolitan Sports Facilities Commission~~ must attempt to facilitate the formation of
18.10 a corporation to acquire the baseball franchise and to identify an individual private managing
18.11 owner of the corporation. The corporation formed to acquire the franchise shall have a
18.12 capital structure in compliance with all of the following provisions:

18.13 (1) there may be two classes of capital stock: common stock and preferred stock. Both
18.14 classes of stock must give holders voting rights with respect to any relocation or voluntary
18.15 contraction of the franchise;

18.16 (2) the private managing owner must own no less than 25 percent and no more than 35
18.17 percent of the common stock. For purposes of this restriction, shares of common stock
18.18 owned by the private managing owner include shares of common stock owned by any related
18.19 taxpayer as defined in section 1313(c) of the Internal Revenue Code of 1986, as amended.
18.20 Other than the rights of all other holders of common stock and preferred stock with respect
18.21 to relocation or voluntary contraction of the franchise, the private managing owner must
18.22 control all aspects of the operation of the corporation;

18.23 (3) other than the private managing owner, no individual or entity may own more than
18.24 five percent of the common stock of the corporation;

18.25 (4) at least 50 percent of the ownership of the common stock must be sold to members
18.26 of the general public in a general solicitation and a person or entity must not own more than
18.27 one percent of common stock of the corporation; and

18.28 (5) the articles of incorporation, bylaws, and other governing documents must provide
18.29 that the franchise may not move outside of the state or agree to voluntary contraction without
18.30 approval of at least 75 percent of the shares of common stock and at least 75 percent of the
18.31 shares of preferred stock. Notwithstanding any law to the contrary, these 75 percent approval
18.32 requirements shall not be amended by the shareholders or by any other means.

19.1 Except as specifically provided by Laws 2006, chapter 257, no state agency may spend
19.2 money from any state fund for the purpose of generating revenue under this subdivision or
19.3 for the purpose of providing operating support or defraying operating losses of a professional
19.4 baseball franchise.

19.5 Sec. 9. Minnesota Statutes 2016, section 473J.13, subdivision 3, is amended to read:

19.6 Subd. 3. **Public access.** The authority will work to maximize access for public and
19.7 amateur sports, community, and civic events, and other public events in type and on terms
19.8 consistent with those ~~currently~~ held at the ~~existing~~ football stadium, as defined in Minnesota
19.9 Statutes 2012, section 473.551, subdivision 9. The authority may provide that these events
19.10 have exclusive use of the premises at agreed-upon times subject to the scheduling rights of
19.11 the NFL team under the lease or use agreement.

19.12 Sec. 10. Minnesota Statutes 2016, section 473J.25, subdivision 3, is amended to read:

19.13 Subd. 3. **Metropolitan Sports Facilities Commission abolished; interim powers**
19.14 **conferred on authority.** Upon transfer to the authority of all remaining assets, liabilities,
19.15 and obligations of the Metropolitan Sports Facilities Commission, in subdivision 2, the
19.16 Metropolitan Sports Facilities Commission is abolished. When the remaining assets,
19.17 liabilities, and obligations of the Metropolitan Sports Facilities Commission have been
19.18 transferred to the authority and the commission has been abolished, the powers and duties
19.19 of the commission under Minnesota Statutes 2012, sections 473.551 to 473.599, and any
19.20 other law shall devolve upon the authority, in addition to the powers and duties of the
19.21 authority under chapter 473J, until the first NFL home game is played at the stadium.

19.22 Sec. 11. **REPEALER.**

19.23 Minnesota Statutes 2016, sections 137.50, subdivision 5; 473.551; 473.552; 473.553,
19.24 subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13; 473.556, subdivisions 1, 2, 3, 4, 5,
19.25 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, and 17; 473.561; 473.564, subdivisions 2 and 3; 473.572;
19.26 473.581; 473.592, subdivision 1; 473.595; 473.598; 473.599; and 473.76, are repealed.

19.27 Sec. 12. **EFFECTIVE DATE.**

19.28 Sections 1 to 11 are effective June 30, 2017."

19.29 Delete the title and insert:

20.1 "A bill for an act
20.2 relating to state government; changing provisions of the Minnesota Sports Facility
20.3 Authority; requiring a legislative auditor review; making technical changes to the
20.4 Metropolitan Sports Facilities Commission; amending Minnesota Statutes 2016,
20.5 sections 13.55, subdivisions 1, 2; 16A.965, by adding a subdivision; 297A.994,
20.6 subdivision 4; 340A.404, subdivision 1; 352.01, subdivision 2a; 473.121,
20.7 subdivision 5a; 473.164; 473.565, subdivision 1; 473.755, subdivision 4; 473.763,
20.8 subdivision 2; 473J.03, by adding a subdivision; 473J.07, subdivisions 2, 3, 4, 7,
20.9 8, 9, by adding a subdivision; 473J.09, subdivisions 6, 13, by adding subdivisions;
20.10 473J.13, subdivisions 2, 3, by adding a subdivision; 473J.25, subdivision 3; 473J.27,
20.11 subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 473J;
20.12 repealing Minnesota Statutes 2016, sections 137.50, subdivision 5; 473.551;
20.13 473.552; 473.553, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13; 473.556,
20.14 subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 17; 473.561; 473.564,
20.15 subdivisions 2, 3; 473.572; 473.581; 473.592, subdivision 1; 473.595; 473.598;
20.16 473.599; 473.76; 473J.09, subdivision 14."

21.1 We request the adoption of this report and repassage of the bill.

21.2 House Conferees:

21.3
21.4	Sarah Anderson	Bob Vogel

21.5
21.6	Julie Sandstede

21.7 Senate Conferees:

21.8
21.9	Julie A. Rosen	John Jasinski

21.10
21.11	Bobby Joe Champion