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State of Minnesota

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HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. **778**

- 02/02/2017 Authored by Anderson, S.; Hoppe; Scott; Barr, R.; Knoblach and others
- The bill was read for the first time and referred to the Committee on State Government Finance
- 02/09/2017 By motion, recalled and re-referred to the Committee on Government Operations and Elections Policy
- 02/15/2017 Adoption of Report: Re-referred to the Committee on State Government Finance
- 02/20/2017 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
- 03/01/2017 Adoption of Report: Placed on the General Register as Amended
- Read for the Second Time
- 03/06/2017 Calendar for the Day, Amended
- Read Third Time as Amended
- Passed by the House as Amended and transmitted to the Senate to include Floor Amendments
- 05/04/2017 Returned to the House as Amended by the Senate
- Refused to concur and a Conference Committee was appointed
- 05/08/2017 Pursuant to Joint Rule 3.02(a), the Conference Committee was discharged and the bill was laid on the table
- 02/20/2018 Bill was taken from the Table and a Conference Committee was appointed

1.1 A bill for an act

1.2 relating to the Minnesota Sports Facilities Authority; providing for classification

1.3 of certain data; modifying appointments to the authority board; modifying duties;

1.4 restricting the use of stadium suites; amending Minnesota Statutes 2016, sections

1.5 13.55, subdivision 2; 473J.07, subdivisions 2, 3, 4, 8, by adding a subdivision;

1.6 473J.09, subdivisions 6, 13, by adding subdivisions; 473J.13, by adding a

1.7 subdivision; repealing Minnesota Statutes 2016, section 473J.09, subdivision 14.

1.8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

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

1.10 Subd. 2. **Public data.** (a) The data made not public by the provisions of subdivision 1

1.11 shall become public upon the occurrence of any of the following:

1.12 ~~(a)~~ (1) five years elapse from the date on which the lease or contract is entered into

1.13 between the facility and the inquiring party or parties or the event which was the subject of

1.14 inquiry occurs at the facility, whichever occurs earlier;

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

1.16 ~~(c)~~ (3) the event which was the subject of inquiry occurs elsewhere.

1.17 (b) Data regarding persons receiving free or discounted admission, tickets, or other gifts

1.18 from publicly owned and operated convention facilities, civic center authorities, or the

1.19 Minnesota Sports Facilities Authority is public data unless the data is subject to the provisions

1.20 of subdivision 1 or 4, paragraph (b).

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

1.22 Subd. 2. **Membership.** (a) The authority shall consist of ~~five~~ seven members.

2.1 (b) ~~The chair and two members~~ One member shall be appointed by the governor. ~~One~~  
2.2 This member appointed by the governor shall serve until December 31 of the third year  
2.3 following appointment ~~and one member shall serve until December 31 of the fourth year~~  
2.4 ~~following appointment~~. Thereafter, members appointed by the governor shall serve four-year  
2.5 terms, beginning January 1. Each member serves until a successor is appointed and takes  
2.6 office. ~~The chair serves at the pleasure of the governor.~~

2.7 (c) The mayor of the city shall appoint ~~two members~~ one member to the authority. ~~One~~  
2.8 This member appointed by the mayor of the city shall serve until December 31 of the ~~third~~  
2.9 second year following appointment ~~and one member shall serve until December 31 of the~~  
2.10 ~~fourth year following appointment~~. Thereafter, members appointed under this paragraph  
2.11 shall serve four-year terms beginning January 1. Each member serves until a successor is  
2.12 appointed and takes office. Members appointed under this paragraph may reside within the  
2.13 city and may be appointed officials of a political subdivision.

2.14 (d) ~~The initial members of the authority must be appointed not later than June 13, 2012.~~  
2.15 The legislature shall appoint the remaining members of the authority, who may not be  
2.16 members of the legislature, as follows:

2.17 (1) the speaker of the house shall appoint one member;

2.18 (2) the majority leader of the senate shall appoint one member;

2.19 (3) the minority leader of the house of representatives shall appoint one member; and

2.20 (4) the minority leader of the senate shall appoint one member.

2.21 (e) The chair of the Legislative Coordinating Commission shall appoint a voting member  
2.22 of the board, who must be a certified public accountant. Members appointed by the legislature  
2.23 shall serve for three-year terms.

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

2.25 Subd. 3. **Compensation.** The authority may compensate its members, ~~other than the~~  
2.26 ~~chair~~, as provided in section 15.0575. The chair shall receive, ~~unless otherwise provided by~~  
2.27 ~~other law, a salary in an amount fixed by the authority,~~ the same compensation as other  
2.28 board members and shall be reimbursed for reasonable expenses to the same extent as a  
2.29 member.

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

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

3.7 Sec. 5. Minnesota Statutes 2016, section 473J.07, subdivision 8, is amended to read:

3.8 Subd. 8. **Executive director; employees.** The authority may appoint an executive director  
3.9 to serve as the chief executive officer of the authority. The executive director serves at the  
3.10 pleasure of the authority and receives compensation as determined by the authority, but in  
3.11 no instance may the compensation of the executive director exceed that of the governor.  
3.12 The executive director may be responsible for the operation, management, and promotion  
3.13 of activities of the authority, as prescribed by the authority. The executive director has the  
3.14 powers necessarily incident to the performance of duties required and powers granted by  
3.15 the authority, but does not have authority to incur liability or make expenditures on behalf  
3.16 of the authority without general or specific directions by the authority, as shown by the  
3.17 bylaws or minutes of a meeting of the authority. The executive director is responsible for  
3.18 hiring, supervision, and dismissal of all other employees of the authority. The authority  
3.19 must conduct an annual employee evaluation of the executive director, which must be  
3.20 reviewed and approved by the entire board.

3.21 Sec. 6. Minnesota Statutes 2016, section 473J.07, is amended by adding a subdivision to  
3.22 read:

3.23 Subd. 8a. **Budget; report.** After adoption, the authority shall submit its annual budget  
3.24 to the commissioner of management and budget and to the chairs and ranking minority  
3.25 members of the senate finance and house of representatives ways and means committees.  
3.26 All elements of the authority budget, meeting minutes, policies, and procedures must be  
3.27 available on the authority Web site.

3.28 Sec. 7. Minnesota Statutes 2016, section 473J.09, subdivision 6, is amended to read:

3.29 Subd. 6. **Employees; contracts for services.** The authority may employ persons and  
3.30 contract for services necessary to carry out its functions, including the utilization of  
3.31 employees and consultants retained by other governmental entities. As a condition of  
3.32 employment, employees selected by the authority may not engage in partisan political

4.1 activities. The authority shall enter into an agreement with the city regarding traffic control  
4.2 for the stadium.

4.3 Sec. 8. Minnesota Statutes 2016, section 473J.09, subdivision 13, is amended to read:

4.4 Subd. 13. **Legislative report.** The authority must report to the chairs and ranking minority  
4.5 members of the legislative committees with jurisdiction over state government finance by  
4.6 January 15 of each year on the following:

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

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

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

4.10 (4) the authority's proposed and past operating and capital budgets; and

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

4.12 Sec. 9. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision to  
4.13 read:

4.14 Subd. 15. Use of stadium suites. (a) The authority's marketing vendor may enter into  
4.15 agreements for the use of game and event tickets, and stadium suites, for the purpose of  
4.16 marketing the stadium to potential users. Use of stadium suites is subject to the following  
4.17 requirements:

4.18 (1) stadium suites may not be used by board members, except when participating in a  
4.19 marketing effort arranged by the authority's marketing vendor, or conducting oversight of  
4.20 authority responsibilities. The executive director shall ensure that use of the suite does not  
4.21 violate open meeting laws. A board member may not use a suite more than twice per year  
4.22 for oversight duties, and must pay the fair market value for use of the suite;

4.23 (2) stadium suite use must be limited to only those persons and activities with a legitimate  
4.24 business purpose. Family members and friends of board members and authority staff are  
4.25 presumed not to have a legitimate business purpose for attendance in a suite unless the  
4.26 attendance has been approved by public vote of the authority, and the stated business purpose  
4.27 made a part of the public record;

4.28 (3) if the authority has contracted or contracts for stadium marketing services and access  
4.29 to a suite is included in the existing or future contract, the contract terms must require that  
4.30 the contractor determine when suites are needed for marketing purposes and transmits to  
4.31 the authority all data regarding its suite use, including but not limited to:

- 5.1 (i) the costs of use;  
 5.2 (ii) the identity of each attendee and their legitimate business purpose for attendance;  
 5.3 (iii) the date, time, and a general description of the stadium event at which the suite was  
 5.4 used, if applicable; and  
 5.5 (iv) the value and a description of any food, parking, or other benefits provided to  
 5.6 attendees.

5.7 The data required by this clause must be transmitted to the authority within 30 days after  
 5.8 each event at which a suite was used;

- 5.9 (4) authority staff may not use a suite except with the express written assignment of  
 5.10 duties by the executive director, may not be provided free food, and may not be provided  
 5.11 free parking unless necessary to complete the assigned duties; and

- 5.12 (5) provision of tickets to events and use of suites for a purpose other than marketing or  
 5.13 oversight must be reported to the legislative auditor.

- 5.14 (b) The authority must negotiate a return of all stadium suites to the primary tenant, or  
 5.15 other interested parties, in return for fair market value. A provision may be negotiated  
 5.16 allowing limited access to suites for marketing purposes. Any revenues received pursuant  
 5.17 to this paragraph must be deposited in the authority's operating reserves, established under  
 5.18 section 473J.13, subdivision 2, paragraph (c).

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

5.20 Sec. 10. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision  
 5.21 to read:

5.22 Subd. 16. **Code of conduct.** The authority shall adopt and comply with the latest version  
 5.23 of the state code of conduct promulgated by Minnesota Management and Budget.

5.24 Sec. 11. Minnesota Statutes 2016, section 473J.13, is amended by adding a subdivision  
 5.25 to read:

5.26 Subd. 7. **Reserves.** When reserves created under this chapter exceed \$1,000,000, the  
 5.27 authority must transfer amounts in excess of \$1,000,000 to the commissioner of management  
 5.28 and budget for deposit in the stadium excess reserves account in the special revenue fund.  
 5.29 When requested, the commissioner may transfer funds in the stadium excess reserves account  
 5.30 back to the authority if the commissioner determines the funds are necessary to serve a

6.1 public purpose. Amounts to be transferred back to the authority are appropriated to the  
6.2 commissioner for those purposes.

6.3 Sec. 12. **RECOVERY.**

6.4 The authority must recover the fair market value of any food, parking, tickets, and access  
6.5 to stadium suites provided to a person prior to January 1, 2017, if the provision of those  
6.6 benefits to the person was not in the public interest. The authority shall report on recovery  
6.7 efforts 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 on the second Monday of each month until a full recovery is completed.

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

6.11 Sec. 13. **LEGISLATIVE AUDITOR REVIEW.**

6.12 No later than January 15, 2018, the legislative auditor is requested to review the  
6.13 operations and management structure of publicly-owned major sports event facilities in  
6.14 Minnesota, including U.S. Bank Stadium, Target Field, Target Center, and TCF Bank  
6.15 Stadium in Minneapolis, and Xcel Energy Center and CHS Field in St. Paul. Upon  
6.16 completion, the review must be submitted to the chairs and ranking minority members of  
6.17 the legislative committees with jurisdiction over state government finance, and to the  
6.18 Legislative Commission on Minnesota Sports Facilities.

6.19 At a minimum, the review must consider:

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

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

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

6.27 The review must compare and contrast the practices of each public governing body and  
6.28 may recommend best practices for improving the governance, operations, and public  
6.29 accountability of each body. As necessary, the review may also propose any changes in law  
6.30 necessary to implement these best practices.

7.1 Sec. 14. **REPEALER.**

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

7.3 Sec. 15. **EFFECTIVE DATE.**

7.4 Except where otherwise provided, this act is effective July 1, 2017, and, notwithstanding  
7.5 any law to the contrary, the appointment of the current executive director of the authority  
7.6 and the terms of all current members of the authority terminate on that date. New  
7.7 appointments as required by section 2 must be made no later than July 15, 2017.

**473J.09 POWERS, DUTIES OF THE AUTHORITY.**

Subd. 14. **Study; raffle.** The authority shall study the feasibility of conducting a raffle for chances to win a pair or other limited numbers of prime seats (such as lower deck, 50 yard line seats) in the stadium for professional football games for the duration of the lease or use agreement. In conducting the study, the authority must consult with the NFL team. If the authority determines that conducting the raffle is financially feasible, the authority in cooperation with the director of the Gambling Control Board shall conduct the raffle. The proceeds of the raffle must be transmitted to the commissioner of revenue for deposit in the general fund and are appropriated to the commissioner of management and budget for prepayment of principal and interest on appropriation bonds under section 16A.965.