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State of Minnesota  
**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

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

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

1.9 Section 1. Minnesota Statutes 2016, section 473J.07, subdivision 2, is amended to read:

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

1.11 (b) ~~The chair and two members~~ One member shall be appointed by the governor. ~~One~~  
1.12 This member appointed by the governor shall serve until December 31 of the third year  
1.13 following appointment ~~and one member shall serve until December 31 of the fourth year~~  
1.14 ~~following appointment~~. Thereafter, members appointed by the governor shall serve four-year  
1.15 terms, beginning January 1. Each member serves until a successor is appointed and takes  
1.16 office. ~~The chair serves at the pleasure of the governor.~~

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

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

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

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

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

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

2.8 (e) The legislative auditor or a designee shall serve as a nonvoting member of the board.  
 2.9 Members appointed by the legislature shall serve for two-year terms.

2.10 Sec. 2. Minnesota Statutes 2016, section 473J.07, subdivision 3, is amended to read:

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

2.16 Sec. 3. Minnesota Statutes 2016, section 473J.07, subdivision 4, is amended to read:

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

2.22 Sec. 4. Minnesota Statutes 2016, section 473J.07, subdivision 8, is amended to read:

2.23 Subd. 8. **Executive director; employees.** The authority may appoint an executive director  
 2.24 to serve as the chief executive officer of the authority. The executive director serves at the  
 2.25 pleasure of the authority and receives compensation as determined by the authority, but in  
 2.26 no instance may the compensation of the executive director exceed that of the governor.  
 2.27 The executive director may be responsible for the operation, management, and promotion  
 2.28 of activities of the authority, as prescribed by the authority. The executive director has the  
 2.29 powers necessarily incident to the performance of duties required and powers granted by  
 2.30 the authority, but does not have authority to incur liability or make expenditures on behalf  
 2.31 of the authority without general or specific directions by the authority, as shown by the

3.1 bylaws or minutes of a meeting of the authority. The executive director is responsible for  
3.2 hiring, supervision, and dismissal of all other employees of the authority. The authority  
3.3 must conduct an annual employee evaluation of the executive director, which must be  
3.4 reviewed and approved by the entire board.

3.5 Sec. 5. Minnesota Statutes 2016, section 473J.07, is amended by adding a subdivision to  
3.6 read:

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

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

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

3.19 Sec. 7. Minnesota Statutes 2016, section 473J.09, subdivision 13, is amended to read:

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

- 3.23 (1) any recommended increases in the rate or dollar amount of tax;
- 3.24 (2) any recommended increases in the debt of the authority;
- 3.25 (3) the overall work and role of the authority;
- 3.26 (4) the authority's proposed and past operating and capital budgets; and
- 3.27 (5) the authority's implementation of the operating and capital budgets.

4.1 Sec. 8. Minnesota Statutes 2016, section 473J.09, is amended by adding a subdivision to  
4.2 read:

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

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

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

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

4.21 (i) the costs of use;

4.22 (ii) the identity of each attendee and their legitimate business purpose for attendance;

4.23 (iii) the date, time, and a general description of the stadium event at which the suite was  
4.24 used, if applicable; and

4.25 (iv) the value and a description of any food, parking, or other benefits provided to  
4.26 attendees.

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

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

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

5.3 (b) Data that the authority receives under paragraph (a), clause (3), are public data unless  
5.4 otherwise classified by section 13.55.

5.5 (c) The authority must negotiate a return of all stadium suites to the primary tenant, or  
5.6 other interested parties, in return for fair market value. A provision may be negotiated  
5.7 allowing limited access to suites for marketing purposes. Any revenues received pursuant  
5.8 to this paragraph are appropriated to the commissioner of management and budget to pay  
5.9 for state debt service on the stadium.

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

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

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

5.15 Sec. 10. Minnesota Statutes 2016, section 473J.13, is amended by adding a subdivision  
5.16 to read:

5.17 Subd. 7. **Reserves.** All reserves created under this chapter in excess of \$1,000,000 must  
5.18 be transferred to the commissioner of management and budget, who has authority over any  
5.19 requested release of such reserves. If, in the determination of the commissioner, reserves  
5.20 exceed necessary levels, the commissioner may transfer funds to debt service on stadium  
5.21 bonds, and those funds are appropriated to the commissioner for that purpose.

5.22 Sec. 11. **RECOVERY.**

5.23 The authority shall recover the costs associated with food, parking, tickets and use of  
5.24 stadium suites accrued prior to January 1, 2017, by persons whose use was not in the public  
5.25 interest. The authority shall report on recovery efforts to the commissioner of management  
5.26 and budget and to the chairs and ranking minority members of the senate finance and house  
5.27 of representatives ways and means committees on the second Monday of each month until  
5.28 a full recovery is completed.

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

6.1 Sec. 12. **REPEALER.**

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

6.3 Sec. 13. **EFFECTIVE DATE.**

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

APPENDIX  
Repealed Minnesota Statutes: 17-1798

**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.