

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH LEGISLATURE

S.F. No. 1604

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DATE	D-PG	OFFICIAL STATUS
04/16/2013	1860	Introduction and first reading Referred to Finance

1.1 A bill for an act
 1.2 relating to stadiums; reducing the state commitment to a Minnesota Vikings
 1.3 football stadium; amending Minnesota Statutes 2012, sections 16A.965,
 1.4 subdivision 2; 473J.11, subdivision 4.

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

1.6 Section 1. Minnesota Statutes 2012, section 16A.965, subdivision 2, is amended to read:

1.7 Subd. 2. **Authorization to issue appropriation bonds.** (a) Subject to the
 1.8 limitations of this subdivision, the commissioner may sell and issue appropriation bonds
 1.9 of the state under this section for public purposes as provided by law, including, in
 1.10 particular, the financing of all or a portion of the acquisition, construction, improving,
 1.11 and equipping of the stadium project of the Minnesota Sports Facilities Authority as
 1.12 provided by chapter 473J. Proceeds of the appropriation bonds must be credited to a
 1.13 special appropriation stadium bond proceeds fund in the state treasury. Net income from
 1.14 investment of the proceeds, as estimated by the commissioner, must be credited to the
 1.15 special appropriation stadium bond proceeds fund.

1.16 (b) Appropriation bonds may be sold and issued in amounts that, in the opinion of
 1.17 the commissioner, are necessary to provide sufficient funds, not to exceed ~~\$498,000,000~~
 1.18 \$298,000,000 net of costs of issuance, revenue generated under section 16A.6455, and
 1.19 allocated by the commissioner of management and budget for this purpose and costs of
 1.20 credit enhancement for achieving the purposes authorized as provided under paragraph
 1.21 (a), and pay debt service including capitalized interest, pay costs of issuance, make
 1.22 deposits to reserve funds, pay the costs of credit enhancement, or make payments under
 1.23 other agreements entered into under paragraph (d); provided, however, that appropriation

2.1 bonds issued and unpaid shall not exceed ~~\$600,000,000~~ \$400,000,000 in principal amount,
2.2 excluding refunding bonds sold and issued under subdivision 4.

2.3 (c) Appropriation bonds may be issued from time to time in one or more series on
2.4 the terms and conditions the commissioner determines to be in the best interests of the
2.5 state, but the term on any series of appropriation bonds may not exceed 30 years. The
2.6 appropriation bonds of each issue and series thereof shall be dated and bear interest,
2.7 and may be includable in or excludable from the gross income of the owners for federal
2.8 income tax purposes.

2.9 (d) At the time of, or in anticipation of, issuing the appropriation bonds, and at any
2.10 time thereafter, so long as the appropriation bonds are outstanding, the commissioner may
2.11 enter into agreements and ancillary arrangements relating to the appropriation bonds,
2.12 including but not limited to trust indentures, grant agreements, lease or use agreements,
2.13 operating agreements, management agreements, liquidity facilities, remarketing or
2.14 dealer agreements, letter of credit agreements, insurance policies, guaranty agreements,
2.15 reimbursement agreements, indexing agreements, or interest exchange agreements. Any
2.16 payments made or received according to the agreement or ancillary arrangement shall be
2.17 made from or deposited as provided in the agreement or ancillary arrangement. The
2.18 determination of the commissioner included in an interest exchange agreement that the
2.19 agreement relates to an appropriation bond shall be conclusive.

2.20 (e) The commissioner may enter into written agreements or contracts relating to the
2.21 continuing disclosure of information necessary to comply with, or facilitate the issuance
2.22 of appropriation bonds in accordance with federal securities laws, rules, and regulations,
2.23 including Securities and Exchange Commission rules and regulations in Code of Federal
2.24 Regulations, title 17, section 240.15c 2-12. An agreement may be in the form of covenants
2.25 with purchasers and holders of appropriation bonds set forth in the order or resolution
2.26 authorizing the issuance of the appropriation bonds, or a separate document authorized
2.27 by the order or resolution.

2.28 (f) The appropriation bonds are not subject to chapter 16C.

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

2.30 Sec. 2. Minnesota Statutes 2012, section 473J.11, subdivision 4, is amended to read:

2.31 Subd. 4. **Cost overruns, savings.** (a) Within the limits of paragraph (b), the
2.32 authority may accept financial obligations relating to cost overruns associated with
2.33 acquisition of the stadium site, stadium infrastructure, and stadium design, development,
2.34 and construction, provided that the authority shall bid project construction in a manner
2.35 that any cost overruns are the responsibility of the successful bidder and not the authority

3.1 or the state. The authority shall not accept responsibility for cost overruns and shall not
3.2 be responsible for cost overruns if the authority has authorized the NFL team to provide
3.3 for management of construction of the stadium under subdivision 1. Cost savings or
3.4 additional funds obtained by the authority or the NFL team for the stadium or stadium
3.5 infrastructure may be used first to fund additional stadium or stadium infrastructure, as
3.6 agreed to by the authority and the NFL team, if any, and then to fund capital reserves.

3.7 (b) The state share of stadium costs shall be limited to ~~\$348,000,000~~ \$148,000,000
3.8 for construction of a new stadium, as permitted under section 16A.726. The city of
3.9 Minneapolis share shall be limited to no more than a \$150,000,000 contribution for
3.10 construction, and the annual operating cost and capital contributions contained under
3.11 section 473J.13.

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

3.13 Sec. 3. **STADIUM TRANSITION.**

3.14 The Minnesota Stadium Authority shall modify the design and construction plans
3.15 to adjust for the reduction of state funding under this act through negotiations with the
3.16 football team. The adjustments may include additional private funding, or a reduction in
3.17 the size and scope of the proposed stadium, as agreed to by the authority and team.

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