

STATE OF MINNESOTA

# Journal of the Senate

EIGHTIETH LEGISLATURE

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THIRD SPECIAL SESSION

SECOND DAY

St. Paul, Minnesota, Tuesday, October 28, 1997

The Senate met at 9:00 a.m. and was called to order by the President.

## CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Richard Keene Smith.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

The roll was called, and the following Senators answered to their names:

Anderson	Hanson	Krentz	Novak	Sams
Beckman	Higgins	Laidig	Oliver	Samuelson
Belanger	Hottinger	Langseth	Olson	Scheevel
Berg	Janezich	Larson	Ourada	Scheid
Berglin	Johnson, D.E.	Lesewski	Pappas	Solon
Betzold	Johnson, D.H.	Limmer	Pariseau	Spear
Cohen	Johnson, D.J.	Lourey	Piper	Stevens
Day	Johnson, J.B.	Marty	Pogemiller	Stumpf
Dille	Junge	Metzen	Price	Ten Eyck
Fischbach	Kelley, S.P.	Moe, R.D.	Ranum	Terwilliger
Flynn	Kelly, R.C.	Morse	Robertson	Vickerman
Foley	Kleis	Murphy	Robling	Wiener
Frederickson	Knutson	Neuville	Runbeck	Wiger

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

## MEMBERS EXCUSED

Ms. Kiscaden and Mr. Lessard were excused from the Session of today.

## REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

**Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred**

**S.F. No. 2:** A bill for an act relating to capital improvements; providing for a process to construct, fund, maintain, and govern a major league baseball park; providing for powers and duties of the metropolitan sports facilities commission; authorizing certain taxes, revenue distributions, bonds and other debt obligations, and allocations; proposing an amendment to the Minnesota Constitution, article XI, section 14 extending until the year 2011 the period during which at least 40 percent of the net proceeds from the state lottery must be credited to the environment and natural resources trust fund; appropriating money for the baseball park, a professional hockey arena in the city of St. Paul, and the Minneapolis convention center; amending Minnesota Statutes 1996, sections 297A.135, subdivisions 2, 3, 4, and by adding a subdivision; 349A.10, subdivision 5, and by adding subdivisions; 473.551, subdivision 8, and by adding subdivisions; 473.552; 473.553, subdivision 1; 473.556, subdivisions 3, 4, 5, and by adding subdivisions; and 473F.08, subdivision 5, and by adding a subdivision; Laws 1986, chapter 396, section 2, subdivision 1, as amended; proposing coding for new law in Minnesota Statutes, chapter 473; proposing coding for new law as Minnesota Statutes, chapters 473I; and 473J; repealing Laws 1986, chapter 396, section 2, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

BASEBALL PARK CONSTRUCTION

Section 1. Minnesota Statutes 1996, section 473.551, subdivision 8, is amended to read:

Subd. 8. [SPORTS FACILITY OR SPORTS FACILITIES.] "Sports facility" or "sports facilities" means real or personal property comprising a stadium, stadiums, baseball parks, or arenas suitable for university or major league professional baseball, for university or major league professional football and soccer, or for both, or for university or major league hockey or basketball, or for both, together with adjacent parking facilities, including on the effective date of Laws 1994, chapter 648, the metrodome, the baseball park, the met center, and, upon acquisition by the commission, the basketball and hockey arena.

Sec. 2. Minnesota Statutes 1996, section 473.551, is amended by adding a subdivision to read:

Subd. 18. [BASEBALL PARK.] "Baseball park" means a park owned by the commission and designed for playing major league professional baseball, as specified in section 473.5991.

Sec. 3. Minnesota Statutes 1996, section 473.551, is amended by adding a subdivision to read:

Subd. 19. [BASEBALL PARK REVENUE.] "Baseball park revenue" means all revenue received by or payable to the commission arising from its ownership and operation of the baseball park including, but not limited to, revenues from admission taxes or other special taxes, bond proceeds, fees, lottery proceeds, loans, and gifts.

Sec. 4. Minnesota Statutes 1996, section 473.551, is amended by adding a subdivision to read:

Subd. 20. [BASEBALL TEAM.] "Baseball team" means a major league professional baseball team.

Sec. 5. Minnesota Statutes 1996, section 473.551, is amended by adding a subdivision to read:

Subd. 21. [CITY.] "City" when referring to anything involving the baseball park means the city in which the baseball park is located.

Sec. 6. Minnesota Statutes 1996, section 473.551, is amended by adding a subdivision to read:

Subd. 22. [COUNTY.] "County" when referring to anything involving the baseball park means the county in which the baseball park is located.

Sec. 7. Minnesota Statutes 1996, section 473.551, is amended by adding a subdivision to read:

Subd. 23. [OWNER.] "Owner" means the individual or person who directly or indirectly owns an interest in the baseball team. Owner does not mean the commission.

Sec. 8. Minnesota Statutes 1996, section 473.552, is amended to read:

473.552 [LEGISLATIVE POLICY; PURPOSE.]

The legislature finds that:

(a) (1) the population in the metropolitan area has a need for sports facilities and that this need cannot be met adequately by the activities of individual municipalities, by agreements among municipalities, or by the private efforts of the people in the metropolitan area;

(b) (2) the commission's ownership and operation of the metrodome and met center has met in part the foregoing need and has promoted the economic and social interests of the metropolitan area, of the state, and of the public, ~~and~~;

(c) (3) the commission's acquisition of the basketball and hockey arena on the terms and conditions provided in sections 473.598 and 473.599 shall similarly and more fully meet the foregoing needs and promote these interests; and

(4) the commission's construction and operation of the baseball park by reasonable methods that the legislature and the commission may devise to secure the long-term commitment of the baseball team, including, but not limited to, the assignment of the operation of the baseball park to a private entity, all of which may further secure and promote these public purposes, will likewise meet the foregoing needs and promote these interests.

It is therefore necessary for the public health, safety and general welfare to establish a procedure for the acquisition and betterment of sports facilities and to create a metropolitan sports facilities commission.

Sec. 9. Minnesota Statutes 1996, section 473.553, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] The metropolitan sports facilities commission is established and as a local governmental unit and political subdivision of the state that may exercise its powers within the metropolitan area. The commission shall be organized, structured, and administered as provided in this section.

Sec. 10. Minnesota Statutes 1996, section 473.556, subdivision 3, is amended to read:

Subd. 3. [ACQUISITION OF PROPERTY.] The commission may acquire by lease, purchase, gift, or devise all necessary right, title, and interest in and to real or personal property deemed necessary to the purposes contemplated by sections 473.551 to 473.599 within the limits of the metropolitan area. The city, county, or commission may exercise the right of eminent domain under chapter 117 to acquire a site for the baseball park and, from time to time such other property, real, personal and intangible, as are essential and integral to the successful operation of a sports facility.

Sec. 11. Minnesota Statutes 1996, section 473.556, subdivision 4, is amended to read:

Subd. 4. [EXEMPTION OF PROPERTY.] Any real or personal property acquired, owned, leased, controlled, used, or occupied by the commission for any of the purposes of sections 473.551 to 473.599 is declared to be acquired, owned, leased, controlled, used and occupied for public, governmental, and municipal purposes, and shall be exempt from ad valorem taxation by the state or any political subdivision of the state, provided that such properties shall be subject to special assessments levied by a political subdivision for a local improvement in amounts proportionate to and not exceeding the special benefit received by the properties from the improvement. No possible use of any such properties in any manner different from their use under sections 473.551 to 473.599 at the time shall be considered in determining the special benefit received by the properties. All assessments shall be subject to final confirmation by the council, whose determination of the benefits shall be conclusive upon the political subdivision levying the

assessment. Notwithstanding the provisions of section 272.01, subdivision 2, or 273.19, real or personal property leased by the commission to another person for uses related to the purposes of sections 473.551 to 473.599, including the operation of the metrodome, baseball park, met center, and, if acquired by the commission, the basketball and hockey arena shall be exempt from taxation regardless of the length of the lease. The provisions of this subdivision, insofar as they require exemption or special treatment, shall not apply to any real property comprising the met center which is leased by the commission for residential, business, or commercial development or other purposes different from those contemplated in sections 473.551 to 473.599.

Sec. 12. Minnesota Statutes 1996, section 473.556, subdivision 5, is amended to read:

Subd. 5. [FACILITY OPERATION.] The commission may equip, improve, operate, manage, maintain, and control the metrodome, baseball park, met center, basketball and hockey arena and sports facilities constructed, remodeled, or acquired under the provisions of sections 473.551 to 473.599.

Sec. 13. Minnesota Statutes 1996, section 473.556, is amended by adding a subdivision to read:

Subd. 18. [PRIVATE CONTRIBUTIONS.] Notwithstanding the requirements of subdivision 9, the commission may accept grants, gifts, or loans from public or private sources to further its public purposes with respect to the baseball park. The contributions may be used by the commission for any purpose related to the baseball park under sections 473.5991 to 473.5995, including, but not limited to, payment of revenue bonds or revenue anticipation certificates issued under section 473.5993, or reducing or eliminating any ownership, operations, or other obligations or liabilities of the commission under sections 473.5991 to 473.5995.

Sec. 14. Minnesota Statutes 1996, section 473.556, is amended by adding a subdivision to read:

Subd. 19. [BASEBALL PARK REVENUE.] The commission may spend baseball park revenue to pay any reasonable expenses necessary to administer, operate, improve, or maintain the baseball park or to pay debt service on bonds or other obligations sold for purposes of the baseball park. Baseball park revenue must be segregated from other revenue of the commission.

Sec. 15. [473.5991] [BASEBALL PARK.]

Subdivision 1. [ESSENTIAL CHARACTERISTICS.] The baseball park must be designed for playing major league baseball and no other major league spectator sport that uses a surface or seating configuration different from major league baseball. The baseball park shall be designed to have a retractable roof, but no roof shall be constructed unless the owner pays the commission in advance for the cost of the roof. The baseball park may include parking or other transit facilities for patrons, performers, and employees and may include other amenities to enhance or make the use of the baseball park convenient and predictably accessible to all.

Subd. 2. [DESIGN.] The commission shall determine the program elements of the baseball park, including, but not limited to, capacity, suites, club seats, clubs, and amenities. The commission shall also determine the baseball park design, and the selection of the project construction team, including the architect and general contractor.

Subd. 3. [SITE OPTIONS AND DEADLINE.] Before January 1, 1998, the city of Minneapolis may demonstrate by resolution its ability and commitment to make available a site that meets the commission's criteria and is fully acceptable to the commission. The commission shall then designate the site in the city of Minneapolis as the baseball park location. If the city of Minneapolis does not demonstrate that ability and commitment before January 1, 1998, the commission shall design a process to select a site within the metropolitan area and request site proposals from any municipality, including from the city of Minneapolis. The process to select a site must include a procedure to set minimum specifications for the site, including the necessary or desirable appropriate economic development possibilities on adjacent property. The process must consider the capture and use of incremental revenue paid to or enjoyed by public entities, as a result of or in anticipation of the baseball park, as revenue sources for funding the baseball park.

Nothing in this act is intended to supersede amendment number 145 to the home rule charter of the city of Minneapolis, if the amendment is adopted at the election held in November 1997.

Subd. 4. [RELATED INFRASTRUCTURE.] The commission shall negotiate with the appropriate government entities, including the city and county within which the baseball park is located, and the metropolitan council for necessary or appropriate infrastructure improvements to support the existence and operation of the baseball park, the movement of patrons to and from the baseball park, and their comfort, safety, and convenience while in and around the baseball park.

Subd. 5. [CONSTRUCTION METHODS.] The commission may contract for construction materials, supplies, and equipment in accordance with section 471.345, except that the commission may employ persons, firms, or corporations to perform one or more or all of the functions of architect, engineer, construction manager, or contractor for both design and construction, with respect to all or part of a project to build or remodel sports facilities. Contractors shall be selected through the process of public bidding, under section 471.345, except that the commission may narrow the listing of eligible bidders to those the commission determines to possess sufficient expertise to perform the intended functions and the commission may negotiate with the three lowest responsible bidders to achieve the best and final offer. The commission may require a construction manager to certify a construction price and completion date to the commission. The commission may require the posting of a bond in an amount determined by the commission to cover any costs that may be incurred over and above the certified price, including, but not limited to, costs incurred by the commission or loss of revenues resulting from incomplete construction on the completion date and any other obligations the commission may require the construction manager to bear. The commission shall secure surety bonds as required in section 574.26 securing payment of just claims in connection with all public work undertaken by it. Persons entitled to the protection of the bonds may enforce them as provided in sections 574.28 to 574.32 and are not entitled to a lien on any property of the commission under sections 514.01 to 514.16.

Sec. 16. [473.5992] [DETERMINATIONS BEFORE BONDS SOLD.]

Subdivision 1. [WHEN.] (a) The commission must do what it is required to do and determine that others have done what they are required to do under this section before it authorizes the sale of bonds under section 473.5993.

(b) If paragraph (a) is not complied with by March 31, 1998, the commission or the owner may require negotiations to cease. If the owner requires negotiations to cease under this subdivision or subdivision 7, the owner shall pay all costs and expenses of all deliberations of the commission incurred through the date when negotiations cease.

Subd. 2. [30-YEAR USE AGREEMENT.] (a) The commission must execute agreements with the owner and the baseball team to use the baseball park for all scheduled regular season and all post-season division, league, and world series championship play-off home games for no less than 30 years.

(b) The agreements shall afford to the commission, or to another public entity as the commission deems appropriate, the rights and remedies that are deemed necessary and appropriate to provide reasonable assurances that the baseball team and the owner will comply with the agreements throughout the 30-year term. The remedies must include liquidated damages in the amount of \$250,000,000, payable by the baseball team and the owner jointly and severally to the commission in the event the team relocates to another ballpark within the 30-year period, less 1/30 of that amount for each year the team has met its obligation to play in the baseball park. The remedies may include specific performance and injunctive relief and any other equitable remedies and any additional remedies or ownership, voting, or other security arrangements the commission reasonably determines to be effective in ensuring the baseball team will play the required games in the baseball park throughout the 30-year term. In the enforcement of the agreements, the commission may elect from among the rights and remedies provided for in this paragraph, and that election does not extinguish the commission's other rights and remedies except as may otherwise be provided by law. It is the intent of the legislature that a material breach of an agreement between the commission and other public bodies and professional athletic teams that commit to the long-term playing of major league games at public facilities is deemed to cause irreparable harm for which no adequate remedy at law is available and that the grant of equitable relief to remedy the breach is in the public interest and shall be liberally so construed.

(c) The agreements shall provide for the annual payment of rent by the baseball team for the use and enjoyment of the baseball park, and for the allocation, between the commission and the baseball team of all other revenues from whatever source attributable to the baseball park.

Subd. 3. [COMMUNITY OWNERSHIP.] The governor must submit to the legislature by March 1, 1998, a plan to transfer the ownership of the baseball team to the community through the sale of shares to the public or through transfer of shares or other interests in the team to a private nonprofit entity, or both, or through some other means. The commission may not authorize the sale of bonds under section 473.5993 until a plan for community ownership, either as submitted by the governor or as modified by the legislature, has been approved by an act of the legislature. The agreements under subdivision 2 must provide that the owner will use its good faith efforts to cause major league baseball to approve the community ownership plan approved by the legislature.

Subd. 4. [OWNER'S ABILITY TO COMPLY.] The baseball team and the owner must provide information sufficient to satisfy the commission of the baseball team's and the owner's ability to comply with the terms of the 30-year agreements.

Subd. 5. [OWNER'S DONATION.] The owner must make an enforceable pledge, in a form satisfactory to the commission, to make a donation to the commission of cash or marketable securities in an amount not less than \$111,000,000 to help pay the costs of constructing the baseball park, to be paid on a date satisfactory to the commission. If the owner does not pay for the cost of constructing a retractable roof, the owner's contribution shall be reduced accordingly.

Subd. 6. [CONSTRUCTION COST OVERRUNS.] The commission, the owner, and the baseball team must execute agreements to provide that the owner and the baseball team are responsible for the payment of any and all costs incurred in the construction of the baseball park that exceed the guaranteed maximum price.

Subd. 7. [PRIVATE SECTOR SUPPORT.] (a) Private sector support for construction of the baseball park must be demonstrated by the following:

(1) at least 80 percent of the private suites provided for in the proposal for the baseball park have been sold or leased for at least ten years;

(2) at least 80 percent of the club seats provided for in the proposal for the baseball park are sold or leased for the opening season;

(3) at least \$25,000,000 in qualified pledges to purchase permanent seat licenses are made; and

(4) pledges to purchase 22,000 season tickets for the opening season are made.

(b) If the conditions in this subdivision are not met by March 31, 1998, either the owner or the commission may require negotiations for the baseball park to cease.

Subd. 8. [PRIVATE SECTOR CAPITAL PLAN.] The owner must develop a private sector capital plan approved by the commission that includes the sale or lease of some or all promotional rights in the baseball park.

Subd. 9. [MAJOR LEAGUE BASEBALL CONTRIBUTION.] The commission and the owner must enter into an agreement that provides that the owner will use its best efforts to obtain construction money for the baseball park from major league baseball.

Subd. 10. [COMMISSION TITLE TO PROPERTY.] The commission must acquire, contract to acquire, or begin eminent domain proceedings to acquire title to all real property including all easements and other appurtenances needed for the construction and operation of the baseball park and must receive a grant of money or enter into agreements sufficient to ensure the receipt of money, at the time and in the amount required, to make any payment upon which the commission's acquisition of title and possession of the real property is conditioned.

Subd. 11. [SUFFICIENT MONEY FOR CLEARING PROPERTY.] The commission must receive a grant of money or enter into agreements sufficient in the judgment of the commission to

ensure the receipt of money, at the time and in the amount required, to pay all costs of clearing the real property needed for the construction and operation of the baseball park of all improvements thereon which would interfere with the construction or operation of the baseball park.

Subd. 12. [GUARANTEED MAXIMUM PRICE.] The commission must execute agreements that provide for the construction of the baseball park for a guaranteed maximum price and substantial completion date of April 1, 2001, and that requires performance bonds in an amount at least equal to 100 percent of the guaranteed maximum price to cover any costs incurred over and above the guaranteed maximum price, including, but not limited to, costs incurred by the commission or loss of revenues resulting from incomplete construction on the substantial completion date.

Subd. 13. [NO STRIKES OR LOCKOUTS.] The commission must execute agreements with appropriate labor organizations and construction contractors that provide that no labor strikes or management lockouts will delay construction.

Subd. 14. [BASEBALL TEAM TO OPERATE BASEBALL PARK.] (a) The commission must execute agreements with the owner and the baseball team that provide for operation and maintenance of the baseball park at the expense of the owner and the team.

(b) The agreements may provide that:

(1) the baseball team will manage, maintain, operate, and repair the baseball park and may contract with one or more entities to operate part or all of the baseball park all subject to the approval of the commission; and

(2) the baseball team shall contract with one or more concessionaires to provide food and beverages for the baseball park subject to the approval of the commission.

(c) The agreements must provide criteria for maintenance and operation of the baseball park and remedies as referred to in subdivision 2, paragraphs (b) and (c), that may be exercised by the commission to ensure that the criteria are met. The agreements must also require that the baseball team and its affiliates and subsidiaries that are involved in the maintenance and operation provide annually audited financial statements to the commission.

Subd. 15. [OPERATION OF BASEBALL TEAM.] The commission and the owner must enter into an agreement that obligates the owner to operate the baseball team in good faith so as to achieve profitable operation.

Subd. 16. [COMMISSION PARTICIPATION IN BASEBALL TEAM CONTRACTS.] The commission and the owner must execute an agreement that provides that the commission may participate in the negotiations of any operations, concessions, naming rights, advertising, or any other contracts or agreements pertinent to the operation and maintenance of the baseball park between the owner and any other third party.

Subd. 17. [CAPITAL REPAIRS AND IMPROVEMENTS.] The commission must establish a baseball park capital repair and improvement account and enter into an agreement with the owner and the baseball team that provides that the owner and the baseball team must pay at least \$700,000 a year into the account to be used by the commission to make any capital repairs, improvements, enhancements, and betterments necessary to maintain the baseball park. The commission is not obligated to spend money for these purposes in excess of the balance in the capital repair and improvement account.

Subd. 18. [UNIVERSITY OF MINNESOTA.] The commission must consult with and consider the needs of the University of Minnesota for baseball facilities for the next 20 years.

Subd. 19. [REVENUES TO BE SUFFICIENT.] The anticipated baseball park revenue must be sufficient to pay when due all debt service on the revenue bonds and all administrative expenses of the commission. The anticipated revenue to the baseball team must be sufficient to pay all operating and maintenance expenses of the baseball park.

Subd. 20. [LEAGUE, MAJOR LEAGUE BASEBALL GUARANTY.] The commission must execute an agreement with the major league of which the baseball team is a member and with major league baseball that guarantees the continuance of the franchise in the metropolitan area for the period of the agreement referred to in subdivision 2.

Sec. 17. [INTERSTATE COMPETITION.]

The commission may cooperate and contract with other political entities in the United States, to petition or form an entity to petition the United States Congress to enact legislation to prevent injurious or uneconomic practices of governmental entities in seeking sports, exposition, and entertainment franchises and facilities. The attorney general may participate in appropriate litigation to prevent the injurious or uneconomic practices.

Sec. 18. [473.5993] [DEBT OBLIGATIONS FOR BASEBALL PARK.]

Subdivision 1. [PURPOSES.] The commission may by resolution authorize the sale and issuance of its revenue bonds for the following purposes after complying with or determining that section 473.5992, paragraph (a), has been or will be complied with in material respects:

(1) to acquire and better facilities for a baseball park, including, but not limited to, site assembly, preparation, and construction;

(2) to reimburse the commission for its costs in complying with and making the determinations required by section 473.5992, whenever incurred;

(3) to pay issuance costs and costs of bond insurance or other credit enhancement for the bonds and to establish necessary reserves for operating and debt service costs;

(4) to refund bonds issued under this section; and

(5) to fund judgments entered by any court against the commission in matters relating to the commission's functions related to the baseball park.

Subd. 2. [AMOUNT.] The principal amount of the bonds issued under subdivision 1, clause (1), exclusive of any original issue discount, must not exceed \$250,000,000. That amount shall be reduced by the cost of constructing a retractable roof if the owner does not pay for the cost of constructing a roof.

Subd. 3. [TAXABILITY.] The bonds may be issued as tax-exempt revenue bonds or as taxable revenue bonds in the proportions that the commission may determine.

Subd. 4. [PROCEDURE.] The bonds shall be sold, issued, and secured in the manner provided in chapter 475 for bonds payable solely from revenues and the commission has the same powers and duties as a municipality and its governing body in issuing bonds under that chapter. The bonds may be sold at any price and at public or private sale as determined by the commission. An election is not required.

Subd. 5. [NOT A GENERAL OR MORAL OBLIGATION.] The bonds are payable solely from baseball park revenues. The bonds are not a general or moral obligation or debt of the commission, any other political subdivision of the state, or the state, and must not be included in the net debt of any city, county, or other subdivision of the state for the purpose of any net debt limitation. The state does not assume any obligation or liability for bonds sold or issued under this section.

Subd. 6. [BROKERAGE FIRM AGREEMENT.] Before issuing debt under this section, the commission must enter into an agreement with the brokerage firm to be used in connection with the sale and issuance of the bonds or revenue anticipation certificates under this section, guaranteeing that fees and charges payable to the brokerage firm under the agreement, including any underwriting discounts, do not exceed fees and charges customarily payable in connection with the sale and issuance of bonds or revenue anticipation certificates.



Subd. 7. [SECURITY.] Baseball park revenues must be and remain pledged and appropriated, for the benefit of and enforceable by the bondholders or their trustee, for the payment of all necessary and reasonable expenses of the operation, administration, maintenance, and debt service of the baseball park until all bonds and certificates issued under this section are fully paid or discharged in accordance with law. Bonds issued under this section may be secured by a bond resolution, or by a trust indenture entered into by the commission with a corporate trustee within or outside the state, which must define the baseball park revenues pledged for the payment and security of the bonds. The pledge is a valid charge on the baseball park revenues from the date when bonds are first issued or secured under the resolution or indenture and secure the payment of principal and interest and redemption premiums when due and the maintenance at all times of a reserve securing the payments. No mortgage of or security interest in any tangible real or personal property is granted to the bondholders or the trustee, but they have a valid security interest in all baseball park revenues of the commission as against the claims of all other persons in tort, contract, or otherwise, irrespective of whether the parties have notice of the claims, and without possession or filing as provided in the uniform commercial code or any other law. In the bond resolution or trust indenture the commission may make any covenants that are determined by the commission to be usual and reasonably necessary for the protection of the bondholders. No pledge, mortgage, covenant, or agreement securing bonds may be impaired, revoked, or amended by law or by action of the commission except in accordance with the terms of the resolution or indenture under which the bonds are issued, until the obligations of the commission under the resolution or indenture are fully discharged.

Subd. 8. [REVENUE ANTICIPATION CERTIFICATES.] In any year, upon final adoption by the commission of an annual budget of the commission, including the baseball park revenues, and in anticipation of the baseball park revenues, but subject to any limitation or prohibition in a bond resolution or indenture, the commission may authorize the issuance, negotiation, and sale, in the form and manner and upon the terms it may determine, of revenue anticipation certificates. The principal amount of the certificates outstanding may at no time exceed 25 percent of the total amount of the revenues anticipated. The certificates must mature not later than three months after the close of the budget year. So much of the anticipated baseball park revenues as may be needed for the payment of the certificates and interest thereon shall be paid into a special debt service fund established for the certificates in the commission's financial records. If for any reason the anticipated revenues are insufficient, the certificates and interest must be paid from the first revenues received, subject to any limitation or prohibition in a bond resolution or indenture. The proceeds of the certificates may be used for any purpose for which the anticipated revenues may be used or for any purpose for which bond proceeds under subdivision 1 may be used.

Subd. 9. [VALIDITY OF DEBT ISSUED.] The validity of any bonds issued under this section and the obligations of the commission related to them must not be conditioned upon or impaired by the commission's determinations made under section 473.5992. For the purposes of issuing bonds, the determinations made by the commission are conclusive, and the commission is obligated for the security and payment of the bonds, but only from the sources pledged thereto, irrespective of determinations that may be erroneous, inaccurate, or otherwise mistaken.

Sec. 19. [473.5994] [CITY POWERS.]

Notwithstanding any law, charter, or ordinance provision to the contrary, the city may acquire or condemn land, assemble and prepare a site, make infrastructure improvements, or use its resources in other ways it may devise to finance sports facilities and to further the purposes of sections 473.551 to 473.5994.

Sec. 20. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall change references to Minnesota Statutes, sections 473.551 to 473.599 to read "473.551 to 473.5994."

Sec. 21. [APPLICATION.]

This article applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 22. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

## ARTICLE 2

### BASEBALL PARK SPECIAL TAXES

Section 1. Minnesota Statutes 1996, section 297A.135, is amended by adding a subdivision to read:

Subd. 1a. [METROPOLITAN AREA SURTAX.] In addition to the tax imposed under subdivision 1, a surtax of \$1 a day is imposed on each rental or lease transaction subject to the tax under subdivision 1 that occurs within the metropolitan area as defined in section 473.121, subdivision 2.

Sec. 2. Minnesota Statutes 1996, section 297A.135, subdivision 2, is amended to read:

Subd. 2. [SALES AND USE TAX.] The tax taxes imposed in subdivision 1 is under subdivisions 1 and 1a are not included in the sales price for purposes of determining the sales and use tax imposed in this chapter or any sales and use tax imposed on the transaction under a special law.

Sec. 3. Minnesota Statutes 1996, section 297A.135, subdivision 3, is amended to read:

Subd. 3. [ADMINISTRATION.] The tax taxes imposed in subdivision 1 under subdivisions 1 and 1a must be reported and paid to the commissioner of revenue with the taxes imposed in this chapter. ~~It is~~ They are subject to the same interest, penalty, and other provisions provided for sales and use taxes under chapter 289A and this chapter. The commissioner has the same powers to assess and collect the tax taxes that are given the commissioner in chapters 270 and 289A and this chapter to assess and collect sales and use tax. All revenues, including interest and penalties, derived from the tax must be deposited in the state treasury. The proceeds of the tax imposed by subdivision 1, and an amount that equals the direct department costs necessary to administer, audit, and collect the surtax imposed by subdivision 1a, must be credited to the general fund. The balance of the proceeds of the surtax imposed by subdivision 1a must be credited to the baseball park account in the special revenue fund.

Sec. 4. Minnesota Statutes 1996, section 297A.135, subdivision 4, is amended to read:

Subd. 4. [EXEMPTION.] The tax taxes imposed by this section ~~does do~~ not apply to a lease or rental if the vehicle is to be used by the lessee to provide a licensed taxi service.

Sec. 5. Minnesota Statutes 1996, section 473.595, subdivision 1, is amended to read:

Subdivision 1. [METRODOME ADMISSION TAX.] The commission shall by resolution impose and maintain a ten percent admission tax upon the granting, issuance, sale, or distribution, by any private or public person, association, or corporation, of the privilege of admission to activities at the metrodome. No other tax, surcharge, or governmental imposition, except the taxes imposed by chapter 297A, may be levied by any other unit of government upon any such sale or distribution. The admission tax shall be stated and charged separately from the sales price so far as practicable and shall be collected by the grantor, seller, or distributor from the person admitted and shall be a debt from that person to the grantor, issuer, seller, or distributor, and the tax required to be collected shall constitute a debt owed by the grantor, issuer, seller, or distributor to the commission, which shall be recoverable at law in the same manner as other debts. Every person granting, issuing, selling, or distributing tickets for such admissions may be required, as provided in resolutions of the commission, to secure a permit, to file returns, to deposit security for the payment of the tax, and to pay such penalties for nonpayment and interest on late payments, as shall be deemed necessary or expedient to assure the prompt and uniform collection of the tax.

Notwithstanding any other provisions of this subdivision, the imposition of an admission tax upon a national superbowl football game conducted at the metrodome is discretionary with the commission.

Notwithstanding section 473.581, subdivision 4, when the debt obligations issued under section 473.581, to which revenues derived from the tax imposed under this subdivision have been pledged are fully paid or discharged, the revenue from the tax attributable to admissions to major league professional baseball games shall be deposited in the state treasury and credited to the baseball park account in the special revenue fund.

Sec. 6. Minnesota Statutes 1996, section 473F.08, is amended by adding a subdivision to read:

Subd. 3c. [BASEBALL PARK TAX LEVY.] By December 1, 1997, and by August 1 of each year thereafter, the executive director of the metropolitan sports facilities commission shall certify to the Hennepin county auditor a levy in the amount of \$7,300,000, plus any additional amount that may be necessary, together with other revenue available to the commission, to pay when due and in accordance with the bond resolution or trust indenture all debt service on bonds and other obligations issued under section 473.5993 for the baseball park. The Hennepin county auditor shall add this amount to Hennepin county's areawide levy when certifying the levy to the administrative auditor under subdivision 5.

Sec. 7. Minnesota Statutes 1996, section 473F.08, subdivision 5, is amended to read:

Subd. 5. [AREAWIDE TAX RATE.] On or before August 25 of each year, the county auditor shall certify to the administrative auditor that portion of the levy of each governmental unit determined under subdivisions 3, clause (a), 3a, and 3b, and 3c. The administrative auditor shall then determine the areawide tax rate sufficient to yield an amount equal to the sum of such levies from the areawide net tax capacity. On or before September 1 of each year, the administrative auditor shall certify the areawide tax rate to each of the county auditors.

Sec. 8. [473I.01] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] The definitions in sections 473.121, 473.551, and this section apply to this chapter.

Subd. 2. [BASEBALL PARK.] "Baseball park" means the baseball park described in section 473.5991.

Sec. 9. [473I.02] [BASEBALL PARK ACCOUNT.]

The baseball park account is established in the special revenue fund in the state treasury. All money credited to the baseball park account is appropriated to the commissioner of revenue for payment to the commission for purposes of the baseball park. The commission shall use all receipts from the baseball park account to administer, operate, and maintain the baseball park and to pay debt service on bonds or other obligations sold for purposes of the baseball park. When the bonds and other obligations issued under section 473.5993 have been paid off or defeased, the balance on hand and any future receipts to the baseball park account are appropriated to the commissioner of revenue for transfer to the general fund to reimburse the general fund for proceeds of the state lottery that were used to construct the baseball park. The reimbursement must include interest at a rate to be determined by the commissioner of finance that is comparable to the rate earned by the state on invested treasurer's cash. After the general fund has been reimbursed, sections 6, 10, 20, and 22 expire and the amounts received from the taxes imposed under sections 1, 11 to 19, and 21 are appropriated to the commissioner of revenue for payment to the metropolitan council. The metropolitan council shall credit the amounts received to the debt service fund or reserve or special funds established under article 4, section 7. When the bonds and other obligations issued under article 4, section 7, have been paid off or defeased, sections 1, 11 to 19, and 21 expire.

Sec. 10. [473I.03] [ADMISSION TAX; TICKET SURCHARGE.]

The commission may by resolution impose and maintain an admission tax or ticket surcharge, or both, upon the granting, issuance, sale, or distribution, by any private or public person, association, or corporation, of the privilege of admission to activities at the baseball park. No other tax, surcharge, or governmental imposition, except the taxes imposed by chapter 297A, may be levied by any other unit of government upon that sale or distribution. The tax or surcharge

imposed by this section is included in the sales price for purposes of determining the sales and use tax imposed by chapter 297A. If the commission imposes a ticket surcharge, it must be at least \$1 per ticket for the seats affected. The commission and the owner may by mutual agreement exempt sections of the baseball park from the ticket surcharge. The admission tax or ticket surcharge must be stated and charged separately from the sales price so far as practicable. The tax or surcharge imposed under this section must be reported and paid to the commissioner of revenue with the taxes imposed by chapter 297A and in accordance with an agreement between the commission and the commissioner of revenue. It is subject to the same interest, penalty, and other provisions provided for sales and use taxes under chapters 289A and 297A. The commissioner has the same powers to assess and collect the tax that are given the commissioner in chapters 270, 289A, and 297A to assess and collect sales and use tax. All revenues, including interest and penalties, derived from the admissions tax or ticket surcharge must be deposited in the state treasury. An amount that equals the direct department costs necessary to administer, audit, and collect this tax must be credited to the general fund. The balance must be credited to the baseball park account in the special revenue fund.

Sec. 11. [473I.04] [SPORTS FACILITIES SALES TAX.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in chapter 297A and in this subdivision apply to this section.

(b) "Sports facilities sale" means a taxable sale under chapter 297A, or a lease of a private suite or club seat, that occurs on the premises of the metrodome or baseball park, or the St. Paul hockey arena described in article 4, section 3. This does not include an admission subject to tax under section 10 or a purchase by the owner, operator, or a tenant of the metrodome or baseball park.

Subd. 2. [TAX IMPOSED.] The commission may by resolution impose a tax on sports facilities sales at the rate of nine percent. This tax is in lieu of all other taxes levied by any unit of government on these sales, including the tax under section 297A.02, subdivision 1.

Subd. 3. [COLLECTION; DEPOSIT.] The tax imposed by this section must be collected in the manner provided for taxes imposed under chapter 297A and in accordance with an agreement between the commission and the commissioner of revenue. All revenues, including interest and penalties, derived from the tax imposed on sports facilities sales must be deposited in the state treasury and credited to the baseball park account in the special revenue fund.

Sec. 12. [473I.05] [SPORTS MEMORABILIA TAX.]

The commission by resolution may impose a tax on each sale of sports memorabilia at wholesale to a retailer doing business in the metropolitan area. The rate of the tax is ten percent of the gross earnings from the sale.

Sec. 13. [473I.06] [DEFINITIONS.]

Subdivision 1. [TERMS.] For purposes of sections 473I.05 to 473I.12, the following terms have the meanings given them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of revenue.

Subd. 3. [RETAILER.] "Retailer" has the meaning given in section 297A.01, subdivision 10.

Subd. 4. [SALE.] "Sale" means a transfer of title or possession of tangible personal property, whether absolutely or conditionally.

Subd. 5. [SPORTS MEMORABILIA OR SPORTS LICENSED GOODS.] (a) "Sports memorabilia" or "sports licensed goods" means items available for sale to the public that relate to professional sports, such as:

(1) one-of-a-kind items related to professional sports figures, teams, or events;

(2) professional sports trading cards;

- (3) professional sports photographs;
- (4) league and individual athlete licensed items;
- (5) professional sporting event licensed items; and
- (6) similar items.

(b) It does not include items licensed by:

(1) a sports regulating authority for the purpose of proving the item meets the standards of the sport;

(2) an elementary, high school, college, or university or an association, league, or other organization operated by, organized by, comprised of those entities, or regulating collegiate or high school baseball.

(c) It does not include any item of clothing.

Subd. 6. [WHOLESALE OR SALE AT WHOLESALE.] "Wholesale" or "sale at wholesale" means a sale to a retailer for the purpose of reselling the property to a third party.

Subd. 7. [WHOLESALE.] "Wholesaler" means any person making wholesale sales.

Sec. 14. [473I.07] [COLLECTION.]

Subdivision 1. [PAYMENT AND COLLECTION OBLIGATION.] The retailer must pay the tax to the wholesaler and each wholesaler must collect from the retailer the full amount of the tax payable for each taxable sale, unless the state or federal constitution prohibits the wholesaler from collecting the tax from the retailer.

Subd. 2. [TAX SEPARATELY STATED.] The tax must be separately stated from the selling price in any sales invoice or any instrument of sale. Failure to separately state the tax creates a conclusive presumption that the tax has not been collected.

Subd. 3. [TAX IS IN ADDITION TO OTHERS.] The tax under sections 473I.05 to 473I.12 is in addition to any other tax that applies under the laws of this state.

Sec. 15. [473I.08] [COMPLEMENTARY USE TAX.]

If the tax is not paid under section 473I.05, a tax is imposed on possession for sale or use of sports memorabilia or sports licensed goods in the metropolitan area. The rate of tax equals the rate under section 473I.05 and must be paid by the possessor of the items.

Sec. 16. [473I.09] [EXEMPTIONS.]

The tax imposed by sections 473I.05 to 473I.12 does not apply to:

(1) any successive sale if the tax was previously imposed and collected on the same sports memorabilia or sports licensed goods; and

(2) any sale of sports memorabilia or sports licensed goods that is transferred to a point outside of the metropolitan area for sale or use outside of the metropolitan area.

Sec. 17. [473I.10] [ADMINISTRATIVE PROVISIONS.]

Subdivision 1. [APPLICATION OF OTHER CHAPTERS.] To the extent not inconsistent with sections 473I.05 to 473I.12, the enforcement, interest, and penalty provisions under chapter 294, appeal provisions in sections 289A.43 and 289A.65, criminal penalties in section 289A.63, refund provisions in section 289A.50, and collection and rulemaking provisions under chapter 270, apply to the tax under sections 473I.05 to 473I.12.

Subd. 2. [QUARTERLY ESTIMATED PAYMENTS.] (a) Each wholesaler must make

estimated payments of the tax for the calendar year to the commissioner in accordance with an agreement between the commission and the commissioner in quarterly installments by April 15, July 15, October 15, and January 15 of the following calendar year.

(b) Estimated tax payments are not required if the tax for the calendar year is less than \$500.

(c) Underpayment of estimated installments bear interest at the rate specified in section 270.75, from the due date of the payment until paid or until the due date of the annual return at the rate specified in section 270.75. An underpayment of an estimated installment is the difference between the amount paid and the lesser of (1) 90 percent of the one-quarter of the tax for the calendar year, or (2) the tax for the actual gross revenues received during the quarter.

Subd. 3. [ELECTRONIC FUNDS-TRANSFER PAYMENTS.] A taxpayer with an aggregate tax liability of \$120,000 or more during a fiscal year ending June 30, must remit all liabilities by funds transfer as defined in section 336.4A-104, paragraph (a), in the next calendar year. The funds-transfer payment date, as defined in section 336.4A-401, is on or before the date the tax is due. If the date the tax is due is not a funds-transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date is on or before the first funds-transfer business day after the date the tax is due.

Subd. 4. [ANNUAL RETURN.] The taxpayer must file an annual return reconciling the estimated payments by March 15 of the following calendar year.

Subd. 5. [FORM OF RETURNS.] The estimated payments and annual return must contain the information and be in the form prescribed by the commissioner.

Sec. 18. [473I.11] [DISCLOSURE ON PRODUCTS.]

A wholesaler subject to tax under section 473I.05 must apply a tag, stamp, mark, or other indicia on sports memorabilia subject to the tax that states "This product was subject to the sports memorabilia tax" or another statement to similar effect.

Sec. 19. [473I.12] [DISPOSITION OF REVENUES.]

The commissioner shall deposit all revenues, including interest and penalties, derived from the tax imposed on sports memorabilia and sports licensed goods under section 473I.05 in the state treasury and credit them to the baseball park account in the special revenue fund.

Sec. 20. [473I.13] [PARKING TAX.]

Subdivision 1. [TAX IMPOSED.] The commission may by resolution impose a parking tax of not less than \$1 per vehicle per event at the baseball park. The commission shall consult with the city about the definition of event parking and the rate of the tax before imposing or adjusting the tax.

Subd. 2. [AREA OF APPLICATION.] The tax applies to parking in the baseball park district designated under section 473I.15 and in any additional area providing event parking, as mutually agreed by the city and the commission, except for parking at a parking meter.

Subd. 3. [COLLECTION.] The tax imposed under this section must be reported and paid to the commissioner of revenue with the taxes imposed in chapter 297A and in accordance with an agreement between the commission and the commissioner of revenue. It is subject to the same interest, penalty, and other provisions provided for sales and use taxes under chapters 289A and 297A. The commissioner has the same powers to assess and collect the tax that are given the commissioner in chapters 270, 289A, and 297A to assess and collect sales and use tax.

Subd. 4. [DISPOSITION OF PROCEEDS.] All revenues, including interest and penalties, derived from the tax must be deposited in the state treasury. An amount that equals the direct department costs necessary to administer, audit, and collect this tax must be credited to the general fund. The balance must be credited to the baseball park account in the special revenue fund.

Sec. 21. [473I.14] [PROFESSIONAL ATHLETE INCOME SURTAX.]

Subdivision 1. [TAX IMPOSED.] The commission may by resolution impose a tax on the taxable baseball park income of a qualified employee of a major league professional baseball team that uses the baseball park or the metrodomo defined in section 473.551, subdivision 9, or the St. Paul hockey arena described in article 4, section 3. The tax equals four percent of taxable baseball park income for the taxable year.

Subd. 2. [DEFINITIONS.] (a) The definitions in chapter 290 and in this subdivision apply to this section.

(b) "Taxable baseball park income" means wages, salaries, or other compensation derived from the performance of personal services in the baseball park or the metrodomo. For both residents and nonresidents, the amount attributable to performance of personal services in the baseball park is determined by first subtracting \$100,000 from total compensation for the performance of personal service and then applying the allocation rules under section 290.17, subdivision 2, paragraph (a), clauses (1) and (2). The amount may not be less than zero.

(c) A "qualified employee" means an employee who derives wages, salaries, or other compensation of at least \$100,000 for the performance of personal services from a sports organization for the taxable year.

(d) A "sports organization" means any organization that operates a major league professional sports franchise. A sports organization includes a visiting team regardless of whether it has a direct agreement with the owner or operator of the baseball park, the metrodomo, or the St. Paul hockey arena.

Subd. 3. [COLLECTION; DEPOSIT.] The tax imposed by this section must be collected in the manner provided for individual income taxes imposed under chapter 290 and in accordance with an agreement between the commission and the commissioner of revenue. The revenue from the tax must be deposited in the state treasury and credited to the baseball park account in the special revenue fund.

Sec. 22. [473I.15] [LIQUOR, ENTERTAINMENT TAXES, FEES.]

Subdivision 1. [TAX IMPOSED.] Notwithstanding section 477A.016 or any other law, the commission may by resolution impose a sales tax of not more than 1.5 percent on the gross receipts from retail sales of the following:

(1) on-sales of intoxicating liquor and fermented malt beverages when sold at a licensed on-sale liquor establishment or municipal liquor store; or

(2) the furnishing for consideration of entertainment; or

(3) both.

A tax under this section may be imposed only within the downtown taxing area defined in Laws 1986, chapter 396, section 1, as amended. The commission shall consult with the city before imposing or adjusting the tax. The tax imposed under this section is included in the sales price for purposes of determining the sales and use tax imposed by chapter 297A.

Subd. 2. [COLLECTION.] The tax imposed under this section must be reported and paid to the commissioner of revenue with the taxes imposed in chapter 297A and in accordance with an agreement between the commission and the commissioner of revenue. It is subject to the same interest, penalty, and other provisions provided for sales and use taxes under chapters 289A and 297A. The commissioner has the same powers to assess and collect the tax that are given the commissioner in chapters 270, 289A, and 297A to assess and collect sales and use tax.

Subd. 3. [DISPOSITION OF PROCEEDS.] All revenues, including interest and penalties, derived from the tax must be deposited in the state treasury. An amount that equals the direct department costs necessary to administer, audit, and collect this tax must be credited to the general fund. The balance must be credited to the baseball park account in the special revenue fund.

Sec. 23. [APPLICATION.]

This article applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 24. [EFFECTIVE DATE.]

Sections 1 to 4 are effective for rental and lease transactions occurring after March 31, 1998.

Section 6 is effective for taxes levied in 1997, payable in 1998, and thereafter, subject to the expiration provided in section 9. The provisions of Minnesota Statutes, section 275.065, relating to proposed property tax notices does not apply to the levy for taxes payable in 1998.

Sections 5, 8, 9, 23, and 24 are effective the day following final enactment.

Sections 10 and 20 are effective for events occurring and for admissions on or after January 1, 2001.

Sections 11 to 19 are effective for sales made after June 30, 1998.

Section 21 is effective for taxable years beginning after December 31, 1997.

### ARTICLE 3

#### LOTTERY REVENUES

Section 1. Minnesota Statutes 1996, section 349A.10, subdivision 5, is amended to read:

Subd. 5. [DEPOSIT OF NET PROCEEDS.] Within 30 days after the end of each month, the director shall deposit in the state treasury the net proceeds of the lottery, which is the balance in the lottery fund after transfers to the lottery prize fund and credits to the lottery operations account. Of the net proceeds, 40 percent must be credited to the Minnesota environment and natural resources trust fund, and the remainder must be credited to the special revenue fund created in section 16A.67, subdivision 3. Money credited to the special revenue fund must be transferred to the debt service fund established in section 16A.67, subdivision 4, at the times and in the amounts determined by the commissioner of finance to be necessary to provide for the payment and security of bonds issued pursuant to section 16A.67. On or before the tenth day of each month, any money in the special revenue fund not required to be transferred to the debt service fund or to the baseball park account under subdivision 5a must be transferred to the general fund.

Sec. 2. Minnesota Statutes 1996, section 349A.10, is amended by adding a subdivision to read:

Subd. 5a. [BASEBALL PARK ACCOUNT.] After any necessary amounts have been transferred to the debt service account created in section 16A.67, subdivision 4, the commissioner of finance shall transfer from the special revenue account created in section 16A.67, subdivision 3, to the baseball park account created in section 473I.02 the sum of \$6,000,000 in each of the months January to June.

Sec. 3. Minnesota Statutes 1996, section 349A.10, is amended by adding a subdivision to read:

Subd. 5b. [SPECIAL LOTTERY GAMES.] (a) The lottery shall conduct instant lottery games each year with a baseball theme.

(b) The net revenues from the games conducted under this subdivision, after the deduction of the net revenue to be paid to the Minnesota environment and natural resources trust fund, must be credited to the baseball park account created in section 473I.02.

Sec. 4. [EFFECTIVE DATE; EXPIRATION.]

This article is effective January 1, 1998. Sections 2 and 3 expire July 1, 2001.

### ARTICLE 4



## METROPOLITAN FACILITIES

Section 1. Minnesota Statutes 1996, section 297A.25, is amended by adding a subdivision to read:

Subd. 73. [SALES TAX EXEMPTION.] Purchases of materials, supplies, or equipment used or consumed in the construction, equipment, improvement, or expansion of the Minneapolis convention center are exempt from the taxes imposed under chapter 297A and from any sales and use tax imposed by a local unit of government notwithstanding any ordinance or charter provision. This exemption applies regardless of whether the materials, supplies, or equipment are purchased by the city or by a construction manager or contractor.

Sec. 2. [473J.01] [DEFINITIONS.]

The definitions in section 473.121 apply to this chapter.

Sec. 3. [473J.02] [ST.PAUL HOCKEY ARENA.]

(a) The metropolitan council may make a grant of up to \$50,000,000 to the city of St. Paul to plan, design, clear a site for, construct, and equip a new arena as part of the St. Paul Civic Center complex. The metropolitan council shall make this grant only after the council determines that the National Hockey League has awarded an expansion hockey franchise to one or more owners who have made a legally binding commitment to play National Hockey League games in the new arena.

(b) The commitment must be that the hockey team will lease the new arena for the purpose of playing all of its National Hockey League home games and will not relocate the team from the arena during the lease term; provided, that the team will have the right after the first ten years of the lease term to terminate the lease by paying the city and the metropolitan council an amount required to discharge the outstanding city and metropolitan council bonds, including any related premium or early retirement penalty associated with prepayment.

(c) The commitment must include an agreement whereby the team will pay liquidated damages in the event of a breach of its covenant to operate exclusively at the new arena during the first ten years of the lease term or, after the first ten years of the lease term, to pay the city and metropolitan council the amount required to discharge the outstanding city and metropolitan council bonds if it relocates the team. The amount of the liquidated damages must be the unpaid principal balance of the outstanding city and metropolitan council bonds, including any related premium or early retirement penalty associated with prepayment, plus the amount of money expended by the city and the St. Paul Civic Center authority for construction costs.

(d) Disputes between the parties under the lease must be venued exclusively in Ramsey county.

Sec. 4. [473J.03] [ST. PAUL CIVIC CENTER BONDING.]

Subdivision 1. [BONDS AUTHORIZED.] The city of St. Paul may, by resolution of its city council, authorize, issue, and sell special obligation bonds or general obligation bonds to finance or refinance any expenditure for the acquisition, construction, demolition, betterment, and equipping of a new arena as part of the St. Paul Civic Center complex, including related facilities, and related bond issuance costs, and the fund of any capitalized interest and debt service reserve for the bonds. Except as otherwise provided in this section, the bonds shall be authorized, issued, and sold in the manner, and subject to the same conditions provided in, chapter 475. The bonds may not be authorized unless the design of the arena is for a convertible-use facility that will accommodate various entertainment venues.

Subd. 2. [SECURITY.] Bonds authorized under subdivision 1 shall be payable from and secured by a pledge of one or more of the following primary sources of payment, in whole or in part:

(1) revenues derived from the St. Paul Civic Center complex and any related facilities;

(2) the 40 percent of revenue from the sales tax imposed under Laws 1993, chapter 375, article 9, section 46, that has been designated by resolution of the St. Paul city council for the St. Paul Civic Center account, provided that the pledge of this revenue shall not delay repayments to the cultural projects account and the neighborhood investment account of amounts advanced from those accounts to cover shortages for financing the debt service for the revenue bonds issued for the St. Paul Civic Center construction program as provided by resolution of the St. Paul city council;

(3) revenue from any lodging tax imposed under Laws 1982, chapter 523, article 25, section 1, and Laws 1986, chapter 462, section 31;

(4) parking revenues from ramps or spaces owned by the St. Paul Civic Center authority, the city, or its housing and redevelopment authority; and

(5) any new revenue source made available by the 80th legislature for the specific purpose of paying off these bonds.

Subd. 3. [CITY MAY PLEDGE FULL FAITH AND CREDIT.] Notwithstanding any law or charter provision to the contrary, in addition to the primary sources of payment in subdivision 2, the city of St. Paul may pledge to the payment of the bonds authorized under subdivision 1 the city's full faith and credit, or subject to any outstanding contractual obligations, any other revenues, charges, assessments, or taxes which either the city or the St. Paul Civic Center authority may be entitled to receive.

Subd. 4. [EXCEPTIONS.] (a) Notwithstanding chapter 475, or any other law or charter provision to the contrary:

(1) the bonds authorized under subdivision 1 may be authorized, issued, and sold without vote of the electorate and shall not be included in the net debt or per capita tax limitations of the city; and

(2) the estimated collection of revenues, charges, assessments, or taxes pledged to the payment of general obligation bonds under subdivision 2 or 3 may be deducted from the general ad valorem taxes otherwise required before the issuance of bonds under section 475.61, subdivision 1.

(b) If the bonds are special obligation bonds, the city may exercise any of the powers granted an authority for issuing revenue bonds under section 469.178, subdivision 4. The St. Paul Civic Center authority may make covenants that the authority by resolution deems to be necessary and proper to secure payments of the bonds.

Subd. 5. [SALES TAX; AUTHORITY.] Notwithstanding any law or charter provision to the contrary, the authority to impose a sales tax under Laws 1993, chapter 375, article 9, section 46, does not expire before the date on which any bonds issued under this section are repaid in full.

#### Sec. 5. [473J.04] [COMPETITIVE BIDDING.]

Contracts for the acquisition, construction, equipping, remodeling, repair, or improvement of the St. Paul Civic Center arena and any related facilities, may be entered into without compliance with the provisions of section 471.345, subdivision 3.

#### Sec. 6. [473J.05] [MINNEAPOLIS CONVENTION CENTER.]

If it issues bonds under section 7, subdivision 1, clause (2), the metropolitan council shall make a grant of \$75,000,000 to the city of Minneapolis to begin improvements to expand the Minneapolis convention center.

#### Sec. 7. [473J.06] [DEBT OBLIGATIONS.]

Subdivision 1. [PURPOSES.] The metropolitan council may by resolution authorize the sale and issuance of its revenue bonds for the following purposes:

(1) \$50,000,000 in principal amount, exclusive of any original issue discount, to make the grant for a hockey arena authorized in section 3;

(2) \$75,000,000 in principal amount, exclusive of any original issue discount, to make the grant for a convention center authorized in section 6;

(3) to pay issuance costs and costs of bond insurance or other credit enhancement for the bonds and to establish necessary reserves for debt service costs;

(4) to refund bonds issued under this section; and

(5) to fund judgments entered by any court against the council in matters relating to the council's functions related to the grants.

Subd. 2. [TAXABILITY.] The bonds may be issued as tax-exempt revenue bonds or as taxable revenue bonds in the proportions that the council may determine.

Subd. 3. [PROCEDURE.] The bonds shall be sold, issued, and secured in the manner provided in chapter 475 for bonds payable solely from revenues and the council has the same powers and duties as a municipality and its governing body in issuing bonds under that chapter. The bonds may be sold at any price and at public or private sale as determined by the council. An election is not required.

Subd. 4. [NOT A GENERAL OR MORAL OBLIGATION.] The bonds are payable solely from the lodging tax authorized by section 8. The bonds are not a general or moral obligation or debt of the commission, any other political subdivision of the state, or the state, and must not be included in the net debt of any city, county, or other subdivision of the state for the purpose of any net debt limitation. The state does not assume any obligation or liability for bonds sold or issued under this section.

Subd. 5. [BROKERAGE FIRM AGREEMENT.] Before issuing debt under this section, the council must enter into an agreement with the brokerage firm to be used in connection with the sale and issuance of the bonds or revenue anticipation certificates under this section, guaranteeing that fees and charges payable to the brokerage firm under the agreement, including any underwriting discounts, do not exceed fees and charges customarily payable in connection with the sale and issuance of bonds or revenue anticipation certificates.

Subd. 6. [SECURITY.] Lodging tax revenues must be and remain pledged and appropriated, for the benefit of and enforceable by the bondholders or their trustee, for the payment of all debt service until all bonds and certificates issued under this section are fully paid or discharged in accordance with law. Bonds issued under this section may be secured by a bond resolution, or by a trust indenture entered into by the council with a corporate trustee within or outside the state. The pledge is a valid charge on the lodging tax revenues from the date when bonds are first issued or secured under the resolution or indenture and secure the payment of principal and interest and redemption premiums when due and the maintenance at all times of a reserve securing the payments. No mortgage of or security interest in any tangible real or personal property is granted to the bondholders or the trustee, but they have a valid security interest in all lodging tax revenues of the council as against the claims of all other persons in tort, contract, or otherwise, irrespective of whether the parties have notice of the claims, and without possession or filing as provided in the uniform commercial code or any other law. In the bond resolution or trust indenture the council may make any covenants that are determined by the council to be usual and reasonably necessary for the protection of the bondholders. No pledge, mortgage, covenant, or agreement securing bonds may be impaired, revoked, or amended by law or by action of the council except in accordance with the terms of the resolution or indenture under which the bonds are issued, until the obligations of the council under the resolution or indenture are fully discharged.

Subd. 7. [REVENUE ANTICIPATION CERTIFICATES.] In any year, upon final adoption by the council of an annual budget of the council, including the lodging tax revenues, and in anticipation of the lodging tax revenues, but subject to any limitation or prohibition in a bond resolution or indenture, the council may authorize the issuance, negotiation, and sale, in the form and manner and upon the terms it may determine, of revenue anticipation certificates. The principal amount of the certificates outstanding may at no time exceed 25 percent of the total amount of the revenues anticipated. The certificates must mature not later than three months after

the close of the budget year. So much of the anticipated lodging tax revenues as may be needed for the payment of the certificates and interest thereon shall be paid into a special debt service fund established for the certificates in the council's financial records. If for any reason the anticipated revenues are insufficient, the certificates and interest must be paid from the first revenues received, subject to any limitation or prohibition in a bond resolution or indenture. The proceeds of the certificates may be used for any purpose for which the anticipated revenues may be used or for any purpose for which bond proceeds under subdivision 1 may be used.

Subd. 8. [VALIDITY OF DEBT ISSUED.] The validity of any bonds issued under this section and the obligations of the council related to them must not be conditioned upon or impaired by the council's determinations made under section 473J.02. For the purposes of issuing bonds, the determinations made by the council are conclusive, and the council is obligated for the security and payment of the bonds, but only from the sources pledged thereto, irrespective of determinations that may be erroneous, inaccurate, or otherwise mistaken.

Sec. 8. [473J.07] [LODGING TAX.]

The metropolitan council may levy a tax on the gross receipts from the furnishing for consideration of lodging for a period of less than 30 days at a hotel, motel, rooming house, tourist court, or trailer camp located within the metropolitan area. The tax may be imposed notwithstanding the limitations of Laws 1986, chapter 396, section 5, clause (2). The tax is a sales tax, supplemental to the general sales tax imposed in chapter 297A for the purposes and in accordance with the requirements specified in sections 2 to 7. The tax or taxes may be imposed at whatever rate or rates, up to four percent, that may be necessary to produce revenues that are determined by the council from year to year to be required, together with other revenue available to the council, to pay when due all debt service on bonds and revenue anticipation certificates issued under section 7. The council may provide for the suspension, reimposition, reduction, or increase in tax collections upon its determination that the actions are appropriate or necessary for the purposes for which the tax is imposed, provided that the balance in the debt service fund or funds, including any reserve for debt service, must be maintained at least at an amount sufficient to pay the principal and interest on bonds that will become due within the next succeeding one-year period and, except as otherwise provided by the agreement, must not be maintained at an amount greater than that required to pay principal and interest on bonds that will become due within the next succeeding two-year period. The tax must be reported and paid to the commissioner of revenue with and as part of the state sales and use taxes, and is subject to the same penalties, interest, and enforcement provisions. The collections of the tax, less refunds and a proportionate share of the costs of collection, are appropriated to the commissioner of revenue, who must remit them at least quarterly to the council. The commissioner of revenue shall deduct from the proceeds remitted to the council an amount that equals the direct department costs necessary to administer, audit, and collect this tax. The amount deducted must be credited to the general fund of the state. The proceeds remitted to the council must be placed, together with other revenue available to the council for this purpose, into the debt service fund or reserve or special funds established under section 7. The proceeds may be used for payment of debt service on bonds and revenue anticipation certificates issued under section 7.

Sec. 9. Laws 1986, chapter 396, section 2, subdivision 1, as amended by Laws 1987, chapter 55, section 4, and Laws 1989, chapter 54, section 2, is amended to read:

Subdivision 1. [ACTIVITIES; CONTRACTS.] The city may acquire, design, construct, equip, improve, expand, control, operate, and maintain the convention center and related facilities. The city shall have all powers necessary or convenient for those purposes and may enter into any contract for those purposes, including the financing of the convention center and any related facilities.

The city may contract for construction materials, supplies, and equipment in accordance with Minnesota Statutes, section 471.345, except that it may enter into contracts with persons, firms, or corporations to perform one or more or all of the functions of architect, engineer, and construction manager with respect to all or part of a project to build or remodel the convention center and related facilities. Contractors shall be selected through the process of public bidding, provided that

it shall be permissible for the city to narrow the listing of eligible bidders to those which the city determines to possess sufficient expertise to perform the intended functions and the city may negotiate with the three lowest responsible bidders to achieve the lowest possible bid. Notwithstanding any other law or charter provision to the contrary, the city may, at the discretion of the city council, enter into agreements relating to the convention center, related facilities or any other city construction project with appropriate labor organizations and contractors which provide that no strike or lockout may be ordered during the term of the agreements. These provisions and necessary procedures may be utilized for the purpose of maintaining employment stability and avoiding delay or interference with the performance of the fast-track construction schedule in connection with the project. The city may require any construction manager to certify a construction price and completion date to the city. The city may require the posting of a bond in an amount determined by the city to cover any costs which may be incurred over and above the certified price, including but not limited to costs incurred by the city or loss of revenues resulting from incomplete construction on the completion date and any other obligations the city may require the construction manager to bear. The city shall secure surety bonds as required in Minnesota Statutes, section 574.26, securing payment of just claims in connection with all public work undertaken by it. Persons entitled to the protection of the bonds may enforce them as provided in Minnesota Statutes, sections 574.28 to 574.32, and shall not be entitled to a lien on any property of the city under the provisions of Minnesota Statutes, sections 514.01 to 514.16.

Sec. 10. Laws 1986, chapter 396, section 4, subdivision 3, is amended to read:

Subd. 3. [USE OF PROPERTY.] (a) Revenues received from the tax may only be used for the following purposes or as provided in paragraph (b):

- (1) to pay costs of collection;
- (2) to pay or secure the payment of any principal of, premium or interest on bonds issued in accordance with this act;
- (3) to pay costs to acquire, design, equip, construct, improve, maintain, operate, administer, or promote the convention center or related facilities, including financing costs related to them;
- (4) to pay reasonable and appropriate costs determined by the city to replace housing removed from the site; and
- (5) to maintain reserves for the foregoing purposes deemed reasonable and appropriate by the city.

(b) After payment of the costs described in paragraph (a), the city must use the revenues from the tax to pay debt service on the bonds or other obligations issued by the metropolitan council to fund the grant made under Minnesota Statutes, section 473J.05. The city must remit payments to the metropolitan council at least quarterly. The metropolitan council shall credit the amounts received to the debt service fund or reserve or special funds established under Minnesota Statutes, section 473J.06.

(c) In the event of any amendment to chapter 297A enacted subsequent to the effective date of this act which exempts sales or uses which were taxable under chapter 297A on the effective date of this act, the city may by ordinance extend the tax authorized hereby to any such sales or uses provided that the city council shall have determined that such extension is necessary to provide revenues for the uses to which taxes may be applied under this section and further provided that, in the estimation of the city council, the aggregate annual collections following such extension will not exceed the aggregate annual collections which would have been generated if chapter 297A, as in effect on the effective date of this act, were then in effect. Any revenue bonds issued in accordance with this act may, with the consent of the city council, contain a covenant that the tax will be so extended to the extent necessary to pay principal and interest on the bonds when due.

Money for replacement housing shall be made available by the city only for new construction, conversion of nonresidential buildings, and for rehabilitation of vacant residential structures, only if all of the units in the newly constructed building, converted nonresidential building, or rehabilitated residential structure are to be used for replacement housing.

Sec. 11. Laws 1993, chapter 375, article 9, section 46, subdivision 2, as amended by Laws 1997, chapter 231, article 7, section 40, is amended to read:

Subd. 2. [USE OF REVENUES.] (a) Revenues received from the tax authorized by subdivision 1 may only be used by the city to pay the cost of collecting the tax, and to pay for the following projects or to secure or pay any principal, premium, or interest on bonds issued in accordance with subdivision 3 for the following projects or as provided in paragraph (b).

~~(a)~~ (1) To pay all or a portion of the capital expenses of construction, equipment and acquisition costs for the expansion and remodeling of the St. Paul Civic Center complex.

~~(b)~~ (2) The remainder of the funds must be spent for:

~~(1)~~ (i) capital projects to further residential, cultural, commercial, and economic development in both downtown St. Paul and St. Paul neighborhoods; and

~~(2)~~ (ii) the operating expenses of cultural organizations in the city, provided that the amount spent under this clause may not exceed ten percent of the total amount spent under this paragraph.

By January 15 of each odd-numbered year, the mayor and the city council must report to the legislature on the use of sales tax revenues during the preceding two-year period.

(b) After payment of the items described in paragraph (a), revenues derived from the tax must be used to pay debt service on the bonds or other obligations issued by the metropolitan council to fund the grant provided under Minnesota Statutes, section 473J.02. The city must remit payments to the metropolitan council at least quarterly. The metropolitan council shall credit the amounts received to the debt service fund or reserve or special funds established under Minnesota Statutes, section 473J.06.

Sec. 12. Laws 1993, chapter 375, article 9, section 46, subdivision 5, is amended to read:

Subd. 5. [EXPIRATION OF TAXING AUTHORITY.] The authority granted by subdivision 1 to the city to impose a sales tax shall expire when the principal and interest on any bonds or other obligations issued to finance projects authorized in subdivision 2, paragraph (a), clause (1), have been paid and the debt referred to in subdivision 2, paragraph (b), has been retired or defeased or at an earlier time as the city shall, by ordinance, determine provided that the debt referred to in subdivision 2, paragraph (b), has been retired or defeased. Any funds remaining after completion of projects approved under subdivision 2, paragraph (a), clause (1), and retirement or redemption of any bonds or other obligations may be placed in the general fund of the city.

Sec. 13. [REPEALER.]

Laws 1986, chapter 396, section 2, subdivision 2, is repealed.

Sec. 14. [SUNSET.]

Section 8 expires January 1, 2018.

Sec. 15. [APPLICATION.]

This article applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 16. [EFFECTIVE DATE.]

This article is effective the day following final enactment, except that sections 4 and 5 are effective the day after compliance by the St. Paul city council with Minnesota Statutes, section 645.021, subdivision 3, and section 8 is effective for sales occurring after March 31, 1998.

ARTICLE 5  
DULUTH FACILITY

Section 1. [REVENUES FOR SUPPORT OF DULUTH ENTERTAINMENT CONVENTION CENTER.]

Subdivision 1. [LODGING TAX.] Notwithstanding Minnesota Statutes, section 477A.016, the city of Duluth may impose a tax at the rate of up to one percent on the gross receipts from the furnishing for consideration of lodging for a period of less than 30 days at a hotel, motel, rooming house, tourist court, or trailer camp located within the city of Duluth.

Subd. 2. [FOOD AND BEVERAGE TAX.] Notwithstanding Minnesota Statutes, section 477A.016, the city of Duluth may impose a tax at a rate of up to one percent on sales of food and beverages that are taxable under Laws 1977, chapter 438, section 1, subdivision 2.

Subd. 3. [NATURE OF TAXES; ADMINISTRATION.] These taxes are sales taxes, supplemental to the general sales tax, and are in addition to all other taxes imposed under state law or local ordinance or charter provisions. The taxes must be reported and paid to the commissioner of revenue with and as part of the state sales and use taxes, and are subject to the same penalties, interest, and enforcement provisions. The collections of the taxes, less refunds, are appropriated to the commissioner of revenue, who must remit them at least quarterly to the city. The commissioner of revenue shall deduct from the proceeds remitted to the city an amount that equals the direct department costs necessary to administer, audit, and collect this tax. The amount deducted must be credited to the general fund of the state. The proceeds remitted to the city must be used for the improvement of the Duluth entertainment convention center.

Sec. 2. Minnesota Statutes 1996, section 297A.25, subdivision 60, is amended to read:

Subd. 60. [CONSTRUCTION MATERIALS; STATE CONVENTION CENTER.] Construction materials and supplies are exempt from the tax imposed under this chapter, regardless of whether purchased by the owner or a contractor, subcontractor, or builder, if:

(1) the materials and supplies are used or consumed in constructing improvements to a state convention center located in a city located outside of the metropolitan area as defined in section 473.121, subdivision 2, and the center is governed by an 11-person board of which four are appointed by the governor; and

(2) the improvements are financed in whole or in part by nonstate resources including, but not limited to, revenue or general obligations issued by the state convention center board of the city in which the center is located.

~~The exemption provided by this subdivision applies to construction materials and supplies purchased prior to December 31, 1998.~~

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment, upon compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Duluth."

Delete the title and insert:

"A bill for an act relating to capital improvements; providing for a process to construct, fund, maintain, and govern a major league baseball park; providing for powers and duties of the metropolitan sports facilities commission; authorizing certain taxes, revenue distributions, bonds and other debt obligations, and allocations; appropriating money for the baseball park, a professional hockey arena in the city of St. Paul, and the Minneapolis convention center; authorizing taxation for the Duluth entertainment convention center; amending Minnesota Statutes 1996, sections 297A.135, subdivisions 2, 3, 4, and by adding a subdivision; 297A.25, subdivision 60, and by adding a subdivision; 349A.10, subdivision 5, and by adding subdivisions; 473.551, subdivision 8, and by adding subdivisions; 473.552; 473.553, subdivision 1; 473.556, subdivisions 3, 4, 5, and by adding subdivisions; 473.595, subdivision 1; and 473F.08, subdivision 5, and by adding a subdivision; Laws 1986, chapter 396, sections 2, subdivision 1, as amended; and 4, subdivision 3; Laws 1993, chapter 375, article 9, section 46, subdivisions 2, as amended, and 5; proposing coding for new law in Minnesota Statutes, chapter 473; proposing coding for new law

as Minnesota Statutes, chapters 473I; and 473J; repealing Laws 1986, chapter 396, section 2, subdivision 2."

And when so amended the bill be reported to the Senate without recommendation. Amendments adopted. Report adopted.

**Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred**

**S.F. No. 11:** A bill for an act relating to public administration; providing for baseball stadium construction and funding; authorizing revenue bonds; appropriating money; amending Minnesota Statutes 1996, sections 349A.01, by adding subdivisions; 349A.10, subdivision 5, and by adding a subdivision; 473.551, subdivision 8, and by adding subdivisions; 473.552; 473.553, subdivision 1; 473.556, subdivisions 3, 4, 5, and by adding subdivisions; and 609.761, subdivision 2; Minnesota Statutes 1997 Supplement, section 297A.259; proposing coding for new law in Minnesota Statutes, chapters 349A; and 473.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

BASEBALL PARK CONSTRUCTION

Section 1. Minnesota Statutes 1996, section 473.551, subdivision 8, is amended to read:

Subd. 8. [SPORTS FACILITY OR SPORTS FACILITIES.] "Sports facility" or "sports facilities" means real or personal property comprising a stadium, stadiums, baseball parks, or arenas suitable for university or major league professional baseball, for university or major league professional football and soccer, or for both, or for university or major league hockey or basketball, or for both, together with adjacent parking facilities, including on the effective date of Laws 1994, chapter 648, the metrodome, the baseball park, the met center, and, upon acquisition by the commission, the basketball and hockey arena.

Sec. 2. Minnesota Statutes 1996, section 473.551, is amended by adding a subdivision to read:

Subd. 18. [BASEBALL PARK.] "Baseball park" means a park owned by the commission and designed for playing major league professional baseball, as specified in section 473.5991.

Sec. 3. Minnesota Statutes 1996, section 473.551, is amended by adding a subdivision to read:

Subd. 19. [BASEBALL PARK REVENUE.] "Baseball park revenue" means all revenue received by or payable to the commission arising from its ownership and operation of the baseball park including, but not limited to, revenues from admission taxes or other special taxes, bond proceeds, fees, lottery proceeds, loans, and gifts.

Sec. 4. Minnesota Statutes 1996, section 473.551, is amended by adding a subdivision to read:

Subd. 20. [BASEBALL TEAM.] "Baseball team" means a major league professional baseball team.

Sec. 5. Minnesota Statutes 1996, section 473.551, is amended by adding a subdivision to read:

Subd. 21. [CITY.] "City" when referring to anything involving the baseball park means the city in which the baseball park is located.

Sec. 6. Minnesota Statutes 1996, section 473.551, is amended by adding a subdivision to read:

Subd. 22. [COUNTY.] "County" when referring to anything involving the baseball park means the county in which the baseball park is located.

Sec. 7. Minnesota Statutes 1996, section 473.551, is amended by adding a subdivision to read:



Subd. 23. [OWNER.] "Owner" means the individual or person who directly or indirectly owns an interest in the baseball team. Owner does not mean the commission.

Sec. 8. Minnesota Statutes 1996, section 473.552, is amended to read:

473.552 [LEGISLATIVE POLICY; PURPOSE.]

The legislature finds that:

(a) (1) the population in the metropolitan area has a need for sports facilities and that this need cannot be met adequately by the activities of individual municipalities, by agreements among municipalities, or by the private efforts of the people in the metropolitan area;

(b) (2) the commission's ownership and operation of the metrodome and met center has met in part the foregoing need and has promoted the economic and social interests of the metropolitan area, of the state, and of the public; ~~and~~;

(c) (3) the commission's acquisition of the basketball and hockey arena on the terms and conditions provided in sections 473.598 and 473.599 shall similarly and more fully meet the foregoing needs and promote these interests; and

(4) the commission's construction and operation of the baseball park by reasonable methods that the legislature and the commission may devise to secure the long-term commitment of the baseball team, including, but not limited to, the assignment of the operation of the baseball park to a private entity, all of which may further secure and promote these public purposes, will likewise meet the foregoing needs and promote these interests.

It is therefore necessary for the public health, safety and general welfare to establish a procedure for the acquisition and betterment of sports facilities and to create a metropolitan sports facilities commission.

Sec. 9. Minnesota Statutes 1996, section 473.553, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] The metropolitan sports facilities commission is established and as a local governmental unit and political subdivision of the state that may exercise its powers within the metropolitan area. The commission shall be organized, structured, and administered as provided in this section.

Sec. 10. Minnesota Statutes 1996, section 473.556, subdivision 3, is amended to read:

Subd. 3. [ACQUISITION OF PROPERTY.] The commission may acquire by lease, purchase, gift, or devise all necessary right, title, and interest in and to real or personal property deemed necessary to the purposes contemplated by sections 473.551 to 473.599 within the limits of the metropolitan area. The city, county, or commission may exercise the right of eminent domain under chapter 117 to acquire a site for the baseball park and, from time to time such other property, real, personal and intangible, as are essential and integral to the successful operation of a sports facility.

Sec. 11. Minnesota Statutes 1996, section 473.556, subdivision 4, is amended to read:

Subd. 4. [EXEMPTION OF PROPERTY.] Any real or personal property acquired, owned, leased, controlled, used, or occupied by the commission for any of the purposes of sections 473.551 to 473.599 is declared to be acquired, owned, leased, controlled, used and occupied for public, governmental, and municipal purposes, and shall be exempt from ad valorem taxation by the state or any political subdivision of the state, provided that such properties shall be subject to special assessments levied by a political subdivision for a local improvement in amounts proportionate to and not exceeding the special benefit received by the properties from the improvement. No possible use of any such properties in any manner different from their use under sections 473.551 to 473.599 at the time shall be considered in determining the special benefit received by the properties. All assessments shall be subject to final confirmation by the council, whose determination of the benefits shall be conclusive upon the political subdivision levying the

assessment. Notwithstanding the provisions of section 272.01, subdivision 2, or 273.19, real or personal property leased by the commission to another person for uses related to the purposes of sections 473.551 to 473.599, including the operation of the metrodome, baseball park, met center, and, if acquired by the commission, the basketball and hockey arena shall be exempt from taxation regardless of the length of the lease. The provisions of this subdivision, insofar as they require exemption or special treatment, shall not apply to any real property comprising the met center which is leased by the commission for residential, business, or commercial development or other purposes different from those contemplated in sections 473.551 to 473.599.

Sec. 12. Minnesota Statutes 1996, section 473.556, subdivision 5, is amended to read:

Subd. 5. [FACILITY OPERATION.] The commission may equip, improve, operate, manage, maintain, and control the metrodome, baseball park, met center, basketball and hockey arena and sports facilities constructed, remodeled, or acquired under the provisions of sections 473.551 to 473.599.

Sec. 13. Minnesota Statutes 1996, section 473.556, is amended by adding a subdivision to read:

Subd. 18. [PRIVATE CONTRIBUTIONS.] Notwithstanding the requirements of subdivision 9, the commission may accept grants, gifts, or loans from public or private sources to further its public purposes with respect to the baseball park. The contributions may be used by the commission for any purpose related to the baseball park under sections 473.5991 to 473.5995, including, but not limited to, payment of revenue bonds or revenue anticipation certificates issued under section 473.5993, or reducing or eliminating any ownership, operations, or other obligations or liabilities of the commission under sections 473.5991 to 473.5995.

Sec. 14. Minnesota Statutes 1996, section 473.556, is amended by adding a subdivision to read:

Subd. 19. [BASEBALL PARK REVENUE.] The commission may spend baseball park revenue to pay any reasonable expenses necessary to administer, operate, improve, or maintain the baseball park or to pay debt service on bonds or other obligations sold for purposes of the baseball park. Baseball park revenue must be segregated from other revenue of the commission.

Sec. 15. [473.5991] [BASEBALL PARK.]

Subdivision 1. [ESSENTIAL CHARACTERISTICS.] The baseball park must be designed for playing major league baseball and no other major league spectator sport that uses a surface or seating configuration different from major league baseball. The baseball park may have a retractable roof. The baseball park may include parking or other transit facilities for patrons, performers, and employees and may include other amenities to enhance or make the use of the baseball park convenient and predictably accessible to all.

Subd. 2. [DESIGN.] The commission shall determine the program elements of the baseball park, including, but not limited to, capacity, suites, club seats, clubs, and amenities. The commission shall also determine the baseball park design, and the selection of the project construction team, including the architect and general contractor.

Subd. 3. [RELATED INFRASTRUCTURE.] The commission shall negotiate with the appropriate government entities, including the city and county within which the baseball park is located, and the metropolitan council for necessary or appropriate infrastructure improvements to support the existence and operation of the baseball park, the movement of patrons to and from the baseball park, and their comfort, safety, and convenience while in and around the baseball park.

Subd. 4. [CONSTRUCTION METHODS.] The commission may contract for construction materials, supplies, and equipment in accordance with section 471.345, except that the commission may employ persons, firms, or corporations to perform one or more or all of the functions of architect, engineer, construction manager, or contractor for both design and construction, with respect to all or part of a project to build or remodel sports facilities. Contractors shall be selected through the process of public bidding, under section 471.345, except that the commission may narrow the listing of eligible bidders to those the commission determines to possess sufficient expertise to perform the intended functions and the commission may

negotiate with the three lowest responsible bidders to achieve the best and final offer. The commission may require a construction manager to certify a construction price and completion date to the commission. The commission may require the posting of a bond in an amount determined by the commission to cover any costs that may be incurred over and above the certified price, including, but not limited to, costs incurred by the commission or loss of revenues resulting from incomplete construction on the completion date and any other obligations the commission may require the construction manager to bear. The commission shall secure surety bonds as required in section 574.26 securing payment of just claims in connection with all public work undertaken by it. Persons entitled to the protection of the bonds may enforce them as provided in sections 574.28 to 574.32 and are not entitled to a lien on any property of the commission under sections 514.01 to 514.16.

Sec. 16. [473.5992] [DETERMINATIONS BEFORE BONDS SOLD.]

Subdivision 1. [WHEN.] (a) The commission must do what it is required to do and determine that others have done what they are required to do under this section before it authorizes the sale of bonds under section 473.5993.

(b) If paragraph (a) is not complied with by March 31, 1998, the commission or the owner may require negotiations to cease. If the owner requires negotiations to cease under this subdivision or subdivision 7, the owner shall pay all costs and expenses of all deliberations of the commission incurred through the date when negotiations cease.

Subd. 2. [30-YEAR USE AGREEMENT.] (a) The commission must execute agreements with the owner and the baseball team to use the baseball park for all scheduled regular season and all postseason division, league, and world series championship play-off home games for no less than 30 years.

(b) The agreements shall afford to the commission, or to another public entity as the commission deems appropriate, the rights and remedies that are deemed necessary and appropriate to provide reasonable assurances that the baseball team and the owner will comply with the agreements throughout the 30-year term. The remedies must include liquidated damages in the amount of \$250,000,000, payable by the baseball team and the owner jointly and severally to the commission in the event the team relocates to another ballpark within the 30-year period, less 1/30 of that amount for each year the team has met its obligation to play in the baseball park. The remedies may include specific performance and injunctive relief and any other equitable remedies, and any additional remedies or ownership, voting, or other security arrangements the commission reasonably determines to be effective in ensuring the baseball team will play the required games in the baseball park throughout the 30-year term. In the enforcement of the agreements, the commission may elect from among the rights and remedies provided for in this paragraph, and that election does not extinguish the commission's other rights and remedies except as may otherwise be provided by law. It is the intent of the legislature that a material breach of an agreement between the commission and other public bodies and professional athletic teams that commit to the long-term playing of major league games at public facilities is deemed to cause irreparable harm for which no adequate remedy at law is available and that the grant of equitable relief to remedy the breach is in the public interest and shall be liberally so construed.

(c) The agreements shall provide for the annual payment of rent by the baseball team for the use and enjoyment of the baseball park, and for the allocation, between the commission and the baseball team of all other revenues from whatever source attributable to the baseball park.

(d) The agreements must anticipate the possible sale and purchase of shares or other interests in the baseball team to the community, and provide that the owner use its good faith efforts to cause major league baseball to approve community ownership provisions in franchises. The commission shall report to the legislature, no later than January 1, 1999, on the ways and means appropriate and available to effectuate some form of community ownership of shares or other interests in the baseball team.

Subd. 3. [OWNER'S ABILITY TO COMPLY.] The baseball team and the owner must provide information sufficient to satisfy the commission of the baseball team's and the owner's ability to comply with the terms of the 30-year agreements.

Subd. 4. [OWNER'S INITIAL INVESTMENT.] The commission must enter into an agreement with the owner that provides that the owner will make an initial investment in the construction of the baseball park by paying the commission not less than \$111,000,000 to be paid on a date satisfactory to the commission. The initial investment shall not be secured by any property or revenues of the commission.

Subd. 5. [PRIVATE SECTOR SUPPORT.] (a) Private sector support for construction of the baseball park must be demonstrated by the following:

(1) at least 80 percent of the private suites provided for in the proposal for the baseball park have been sold or leased for at least ten years;

(2) at least 80 percent of the club seats provided for in the proposal for the baseball park are sold or leased for the opening season;

(3) at least \$25,000,000 in qualified pledges to purchase permanent seat licenses are made; and

(4) pledges to purchase 22,000 season tickets for the opening season are made.

(b) If the conditions in this subdivision are not met by March 31, 1998, either the owner or the commission may require negotiations for the baseball park to cease.

Subd. 6. [PRIVATE SECTOR CAPITAL PLAN.] The owner must develop a private sector capital plan approved by the commission that includes the sale or lease of some or all promotional rights in the baseball park.

Subd. 7. [MAJOR LEAGUE BASEBALL CONTRIBUTION.] The commission and the owner must enter into an agreement that provides that the owner will use its best efforts to obtain construction money for the baseball park from major league baseball.

Subd. 8. [COMMISSION TITLE TO PROPERTY.] The commission must acquire, contract to acquire, or begin eminent domain proceedings to acquire title to all real property including all easements and other appurtenances needed for the construction and operation of the baseball park and must receive a grant of money or enter into agreements sufficient to ensure the receipt of money, at the time and in the amount required, to make any payment upon which the commission's acquisition of title and possession of the real property is conditioned.

Subd. 9. [SUFFICIENT MONEY FOR CLEARING PROPERTY.] The commission must receive a grant of money or enter into agreements sufficient in the judgment of the commission to ensure the receipt of money, at the time and in the amount required, to pay all costs of clearing the real property needed for the construction and operation of the baseball park of all improvements thereon which would interfere with the construction or operation of the baseball park.

Subd. 10. [GUARANTEED MAXIMUM PRICE.] The commission must execute agreements that provide for the construction of the baseball park for a guaranteed maximum price and substantial completion date of April 1, 2001, and that requires performance bonds in an amount at least equal to 100 percent of the guaranteed maximum price to cover any costs incurred over and above the guaranteed maximum price, including, but not limited to, costs incurred by the commission or loss of revenues resulting from incomplete construction on the substantial completion date.

Subd. 11. [NO STRIKES OR LOCKOUTS.] The commission must execute agreements with appropriate labor organizations and construction contractors that provide that no labor strikes or management lockouts will delay construction.

Subd. 12. [BASEBALL TEAM TO OPERATE BASEBALL PARK.] (a) The commission must execute agreements with the owner and the baseball team that provide for operation and maintenance of the baseball park at the expense of the owner and the team.

(b) The agreements may provide that:

(1) the baseball team will manage, maintain, operate, and repair the baseball park and may contract with one or more entities to operate part or all of the baseball park all subject to the approval of the commission; and

(2) the baseball team shall contract with one or more concessionaires to provide food and beverages for the baseball park subject to the approval of the commission.

(c) The agreements must provide criteria for maintenance and operation of the baseball park and remedies as referred to in subdivision 2, paragraphs (b) and (c), that may be exercised by the commission to ensure that the criteria are met. The agreements must also require that the baseball team and its affiliates and subsidiaries that are involved in the maintenance and operation provide annually audited financial statements to the commission.

Subd. 13. [COMMISSION PARTICIPATION IN BASEBALL TEAM CONTRACTS.] The commission and the owner must execute an agreement that provides that the commission may participate in the negotiations of any operations, concessions, rights, advertising, or any other contracts or agreements pertinent to the operation and maintenance of the baseball park between the owner and any other third party.

Subd. 14. [CAPITAL REPAIRS AND IMPROVEMENTS.] The commission must establish a baseball park capital repair and improvement account and enter into an agreement with the owner and the baseball team that provides that the owner and the baseball team must pay at least \$700,000 a year into the account to be used by the commission to make any capital repairs, improvements, enhancements, and betterments necessary to maintain the baseball park. The commission is not obligated to spend money for these purposes in excess of the balance in the capital repair and improvement account.

Subd. 15. [UNIVERSITY OF MINNESOTA.] The commission must consult with and consider the needs of the University of Minnesota for baseball facilities for the next 20 years.

Subd. 16. [REVENUES TO BE SUFFICIENT.] The anticipated baseball park revenue must be sufficient to pay when due all debt service on the revenue bonds and all administrative expenses of the commission. The anticipated revenue to the baseball team must be sufficient to pay all operating and maintenance expenses of the baseball park.

Subd. 17. [LEAGUE, MAJOR LEAGUE BASEBALL GUARANTY.] The commission must execute an agreement with the major league of which the baseball team is a member and with major league baseball that guarantees the continuance of the franchise in the metropolitan area for the period of the agreement referred to in subdivision 2.

#### Sec. 17. [INTERSTATE COMPETITION.]

The commission may cooperate and contract with other political entities in the United States, to petition or form an entity to petition the United States Congress to enact legislation to prevent injurious or uneconomic practices of governmental entities in seeking sports, exposition, and entertainment franchises and facilities. The attorney general may participate in appropriate litigation to prevent the injurious or uneconomic practices.

#### Sec. 18. [473.5993] [DEBT OBLIGATIONS FOR BASEBALL PARK.]

Subdivision 1. [PURPOSES.] The commission may by resolution authorize the sale and issuance of its revenue bonds for the following purposes after complying with or determining that section 473.5992, paragraph (a), has been or will be complied with in material respects:

(1) to acquire and better facilities for a baseball park, including, but not limited to, site assembly, preparation, and construction;

(2) to reimburse the commission for its costs in complying with and making the determinations required by section 473.5992, whenever incurred;

(3) to pay issuance costs and costs of bond insurance or other credit enhancement for the bonds and to establish necessary reserves for operating and debt service costs;

(4) to refund bonds issued under this section; and

(5) to fund judgments entered by any court against the commission in matters relating to the commission's functions related to the baseball park.

Subd. 2. [AMOUNT.] The principal amount of the bonds issued under subdivision 1, clause (1), exclusive of any original issue discount, must not exceed \$250,000,000.

Subd. 3. [TAXABILITY.] The bonds may be issued as tax-exempt revenue bonds or as taxable revenue bonds in the proportions that the commission may determine.

Subd. 4. [PROCEDURE.] The bonds shall be sold, issued, and secured in the manner provided in chapter 475 for bonds payable solely from revenues and the commission has the same powers and duties as a municipality and its governing body in issuing bonds under that chapter. The bonds may be sold at any price and at public or private sale as determined by the commission. An election is not required.

Subd. 5. [NOT A GENERAL OR MORAL OBLIGATION.] The bonds are payable solely from baseball park revenues. The bonds are not a general or moral obligation or debt of the commission, any other political subdivision of the state, or the state, and must not be included in the net debt of any city, county, or other subdivision of the state for the purpose of any net debt limitation. The state does not assume any obligation or liability for bonds sold or issued under this section.

Subd. 6. [BROKERAGE FIRM AGREEMENT.] Before issuing debt under this section, the commission must enter into an agreement with the brokerage firm to be used in connection with the sale and issuance of the bonds or revenue anticipation certificates under this section, guaranteeing that fees and charges payable to the brokerage firm under the agreement, including any underwriting discounts, do not exceed fees and charges customarily payable in connection with the sale and issuance of bonds or revenue anticipation certificates.

Subd. 7. [SECURITY.] Baseball park revenues must be and remain pledged and appropriated, for the benefit of and enforceable by the bondholders or their trustee, for the payment of all necessary and reasonable expenses of the operation, administration, maintenance, and debt service of the baseball park until all bonds and certificates issued under this section are fully paid or discharged in accordance with law. Bonds issued under this section may be secured by a bond resolution, or by a trust indenture entered into by the commission with a corporate trustee within or outside the state, which must define the baseball park revenues pledged for the payment and security of the bonds. The pledge is a valid charge on the baseball park revenues from the date when bonds are first issued or secured under the resolution or indenture and secure the payment of principal and interest and redemption premiums when due and the maintenance at all times of a reserve securing the payments. No mortgage of or security interest in any tangible real or personal property is granted to the bondholders or the trustee, but they have a valid security interest in all baseball park revenues of the commission as against the claims of all other persons in tort, contract, or otherwise, irrespective of whether the parties have notice of the claims, and without possession or filing as provided in the uniform commercial code or any other law. In the bond resolution or trust indenture the commission may make any covenants that are determined by the commission to be usual and reasonably necessary for the protection of the bondholders. No pledge, mortgage, covenant, or agreement securing bonds may be impaired, revoked, or amended by law or by action of the commission except in accordance with the terms of the resolution or indenture under which the bonds are issued, until the obligations of the commission under the resolution or indenture are fully discharged.

Subd. 8. [REVENUE ANTICIPATION CERTIFICATES.] In any year, upon final adoption by the commission of an annual budget of the commission, including the baseball park revenues, and in anticipation of the baseball park revenues, but subject to any limitation or prohibition in a bond resolution or indenture, the commission may authorize the issuance, negotiation, and sale, in the form and manner and upon the terms it may determine, of revenue anticipation certificates. The principal amount of the certificates outstanding may at no time exceed 25 percent of the total amount of the revenues anticipated. The certificates must mature not later than three months after

the close of the budget year. So much of the anticipated baseball park revenues as may be needed for the payment of the certificates and interest thereon shall be paid into a special debt service fund established for the certificates in the commission's financial records. If for any reason the anticipated revenues are insufficient, the certificates and interest must be paid from the first revenues received, subject to any limitation or prohibition in a bond resolution or indenture. The proceeds of the certificates may be used for any purpose for which the anticipated revenues may be used or for any purpose for which bond proceeds under subdivision 1 may be used.

Subd. 9. [VALIDITY OF DEBT ISSUED.] The validity of any bonds issued under this section and the obligations of the commission related to them must not be conditioned upon or impaired by the commission's determinations made under section 473.5992. For the purposes of issuing bonds, the determinations made by the commission are conclusive, and the commission is obligated for the security and payment of the bonds, but only from the sources pledged thereto, irrespective of determinations that may be erroneous, inaccurate, or otherwise mistaken.

Sec. 19. [473.5994] [PROFIT SHARING.]

Subdivision 1. [DEFINITIONS.] (a) [APPLICATION.] The definitions in this subdivision apply to this section.

(b) [GROSS REVENUES OF THE BASEBALL TEAM.] "Gross revenues of the baseball team" means all revenues of the baseball team from whatever source, including, but not limited to, any revenues as may be negotiated with the commission from baseball park rights, concessions, signage, and revenues from ticket sales, and other revenues including major league profit sharing, royalties, television, radio, and any other receipts or revenues, ordinary or extraordinary, not otherwise provided for in sections 473.5991 to 473.5995.

(c) [NET OPERATING PROFITS.] "Net operating profits" means the gross revenues of the baseball team remaining after its payment of or deduction for its baseball team operating expenses, its baseball park operating expenses, and its funding of the baseball park capital repair and improvement account. Net operating profits must be computed in accordance with generally accepted accounting principles.

Subd. 2. [BASEBALL TEAM OPERATING EXPENSES; LOSS.] The owner shall assume all risk for and timely pay all operating expenses of the baseball team and the baseball park as provided in this act and in agreements authorized by this act. The baseball team shall be organized so that under Minnesota law, the commission is not liable for any operating loss, liability, or obligation of the baseball team, or baseball park. The commission shall have no duty to reimburse the owner or any creditor of the owner, the baseball team, or the baseball park for any operating loss, liability, or obligation of the baseball team or baseball park, and shall be indemnified by the owner against losses or claims.

Sec. 20. [473.5995] [PROFITS UPON SALE OF BASEBALL TEAM.]

(a) The commission and the owner shall enter into an agreement that provides for the sharing of profits upon the sale of the baseball team.

(b) If:

(1) the baseball team is sold, transferred, or assigned sooner than 15 years after the first regular season game played in the baseball park; and

(2) the value of the baseball team has appreciated above \$125,000,000 or the sale price exceeds that amount,

then the commission shall receive a payment reflecting its share that is stated in the agreement upon the closing of such sale, transfer, or assignment.

Sec. 21. [473.5996] [CITY POWERS.]

Notwithstanding any law, charter, or ordinance provision to the contrary, the city may acquire

or condemn land, assemble and prepare a site, make infrastructure improvements, or use its resources in other ways it may devise to finance sports facilities and to further the purposes of sections 473.551 to 473.5996.

Sec. 22. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall change references to Minnesota Statutes, sections 473.551 to 473.599 to read "473.551 to 473.5996."

Sec. 23. [APPLICATION.]

This article applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 24. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

## ARTICLE 2

### BASEBALL PARK ACCOUNT

Section 1. [473I.01] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] The definitions in sections 473.121, 473.551, and this section apply to this chapter.

Subd. 2. [BASEBALL PARK.] "Baseball park" means the baseball park described in section 473.5991.

Sec. 2. [473I.02] [BASEBALL PARK ACCOUNT.]

The baseball park account is established in the special revenue fund in the state treasury. All money credited to the baseball park account is appropriated to the commissioner of revenue for payment to the commission for purposes of the baseball park. The commission shall use all receipts from the baseball park account to administer, operate, and maintain the baseball park and to pay debt service on bonds or other obligations sold for purposes of the baseball park.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment.

## ARTICLE 3

### BASEBALL STADIUM FUNDING SOURCES

Section 1. Minnesota Statutes 1997 Supplement, section 297A.259, is amended to read:  
297A.259 [LOTTERY TICKETS; IN LIEU TAX.]

Sales of state lottery tickets are exempt from the tax imposed under section 297A.02. The state lottery must on or before the 20th day of each month transmit to the commissioner of revenue an amount equal to the gross receipts from the sale of lottery tickets for the previous month multiplied by the tax rate under section 297A.02, subdivision 1. The gross receipts from the operation of gaming machines operated by the state lottery and the conduct of card games under section 349A.19 are exempt from the tax imposed under section 297A.02 and the in lieu tax payment under this section. The resulting payment is in lieu of the sales tax that otherwise would be imposed by this chapter. The commissioner shall deposit the money transmitted as provided by section 297A.44 and the money must be treated as other proceeds of the sales tax. Gross receipts for purposes of this section mean the proceeds of the sale of tickets before deduction of a commission or other compensation paid to the vendor or retailer for selling tickets.

Sec. 2. Minnesota Statutes 1996, section 349A.01, is amended by adding a subdivision to read:



Subd. 14. [GAMING MACHINE.] "Gaming machine" means any machine in which a coin, token, or currency are deposited in order to play a game that uses a video display and microprocessors or an electromechanical device with a spinning reel.

Sec. 3. Minnesota Statutes 1996, section 349A.01, is amended by adding a subdivision to read:

Subd. 15. [GAMING MACHINE GAME.] "Gaming machine game" means a game operated by a gaming machine as authorized by the director.

Sec. 4. Minnesota Statutes 1996, section 349A.01, is amended by adding a subdivision to read:

Subd. 16. [GAMING MACHINE PLAY.] "Gaming machine play" means an electronic record that proves participation in a gaming machine game.

Sec. 5. Minnesota Statutes 1996, section 349A.01, is amended by adding a subdivision to read:

Subd. 17. [ADJUSTED GROSS GAMING MACHINE REVENUE.] "Adjusted gross gaming machine revenue" means the sum of all money received by the lottery for gaming machine plays, less the amount paid out in prizes for gaming machine games.

Sec. 6. Minnesota Statutes 1996, section 349A.01, is amended by adding a subdivision to read:

Subd. 18. [ADJUSTED GROSS CARD REVENUE.] "Adjusted gross card revenue" means the sum of money received by the lottery from playing games authorized under section 349A.19, less the amount paid out in prizes for those games.

Sec. 7. Minnesota Statutes 1996, section 349A.10, subdivision 5, is amended to read:

Subd. 5. [DEPOSIT OF NET PROCEEDS.] (a) Within 30 days after the end of each month, the director shall deposit in the state treasury the net proceeds of the lottery, which is the balance in the lottery fund after transfers to the lottery prize fund and credits to the lottery operations account.

(b) Of the net proceeds, 40 percent must be credited to the Minnesota environment and natural resources trust fund, and.

(c) Through June 30, 2001, the remainder must be credited to the special revenue fund created in section 16A.67, subdivision 3. Money credited to the special revenue fund must be transferred to the debt service fund established in section 16A.67, subdivision 4, at the times and in the amounts determined by the commissioner of finance to be necessary to provide for the payment and security of bonds issued pursuant to section 16A.67. On or before the tenth day of each month, any money in the special revenue fund not required to be transferred to the debt service fund or to the baseball stadium account under paragraph (d) must be transferred to the general fund.

(d) Until June 30, 2001, after any necessary amounts have been transferred to the debt service account created in section 16A.67, subdivision 4, the commissioner of finance shall transfer from the special revenue account created in section 16A.67, subdivision 3, to the baseball stadium account created in section 473I.02 the sum of \$5,000,000 in each of the months January to June.

(e) On and after July 1, 2001, the first \$30,000,000 or as much thereof as is necessary to pay debt service on bonds issued under section 473.5993 after receipts from all other funds specifically available for the purpose are used for the purpose in each fiscal year must be credited to the baseball stadium account established in section 473I.02 and the remainder of the \$30,000,000, if any, and all amounts in excess of \$30,000,000 in that fiscal year must be credited to the general fund. This paragraph does not apply to adjusted gross gaming machine revenue or to adjusted gross card revenue.

Sec. 8. [349A.16] [VENDOR CONTRACTS; GAMING MACHINES; CARD GAMES.]

Subdivision 1. [PROCUREMENT CONTRACTS.] Notwithstanding the provisions of section 349A.07, the director may enter into contracts for the procurement of gaming machines or any other contract necessary for maintaining, advertising, promoting, or monitoring gaming machines or for conducting, promoting, or advertising card games authorized under section 349A.19.

Subd. 2. [LOCATION CONTRACT.] The director may enter into a contract with a person to provide locations for and to provide services related to gaming machines, and to conduct card games as permitted under section 349A.19. Contracts entered into under this section are not subject to chapter 16B. The director may only enter a contract under this subdivision with a person that holds a class A license under chapter 240. The gaming machines may only be placed, and the card games permitted under section 349A.19 may only be conducted, at the racetrack for which the class A license under chapter 240 was issued. Contracts entered into must provide for a fair market rental, which include the costs of leasehold improvements and ongoing facility expenses. The director may also contract directly with the location provider for other goods and services deemed necessary for the maintenance and operation of the gaming machines, card games, or related facilities.

Subd. 3. [CONFLICT OF INTEREST.] The director or any employee of the lottery, or a member of their immediate family residing in the same household, may not have any personal pecuniary interest in any vendor holding a contract with the lottery under this section.

Sec. 9. [349A.17] [GAMING MACHINES.]

Subdivision 1. [SPECIFICATIONS.] Gaming machines must:

(1) maintain on nonresettable meters a permanent record, capable of being printed out, of all transactions by the machine and all entries into the machine; and

(2) be capable of being linked electronically to a central communication system to provide auditing program information as required by the director.

Subd. 2. [GAMES.] The director shall specify the games that may be played on a gaming machine as set forth under section 349A.04. Gaming machines may conduct pari-mutuel wagering and display horse races pursuant to specifications set forth by the director.

Subd. 3. [EXAMINATION OF MACHINES.] The director shall examine prototypes of gaming machines and require that the manufacturer of the machine pay the cost of the examination. The director may contract for the examination of gaming machines.

Subd. 4. [TESTING OF MACHINES.] The director may require working models of a gaming machine transported to the locations the director designates for testing, examination, and analysis. The manufacturer shall pay all costs of any testing, examination, analysis, and transportation of the machine model.

Subd. 5. [PRIZES.] A person who plays a gaming machine agrees to be bound by the rules and game procedures applicable to that particular gaming machine game. The player acknowledges that the determination of whether the player has won a prize is subject to the rules and game procedures adopted by the director, claim procedures established by the director for the game, and any confidential or public validation tests established by the director for that game. A person under 18 years of age may not claim a prize from the operation of a gaming machine. A prize claimed from the play of a gaming machine game is not subject to the provisions of section 349A.08, subdivision 8.

Subd. 6. [PROHIBITIONS.] (a) A person under the age of 18 years may not play a game on a gaming machine and the lottery may not allow a person under the age of 18 years to play a game on a gaming machine.

(b) The director or any employee of the lottery, or a member of their immediate family residing in the same household, may not play a game on a gaming machine or receive a prize from the operation of a gaming machine.

Subd. 7. [COMPULSIVE GAMBLING NOTICE.] The director shall prominently post in the area where the gaming machines are located the toll-free number established by the commissioner of human services in connection with the compulsive gambling program established under section 245.98. The director and the location provider shall establish a proactive plan to identify problem gamblers and take appropriate action.

Sec. 10. [349A.18] [ADJUSTED GROSS GAMING MACHINE REVENUE.]

Subdivision 1. [DEPOSIT OF RECEIPTS.] The director shall deposit the adjusted gross machine revenue into the lottery fund.

Subd. 2. [LOTTERY OPERATIONS.] Notwithstanding section 349A.10, subdivision 3, paragraphs (b) and (c), the director may credit, in any fiscal year, up to 50 percent of the adjusted gross gaming machine revenue to the lottery operations account established under section 349A.10, subdivision 3, for the operation, promotion, advertising, maintenance, and placement of gaming machines. Notwithstanding the provisions of this subdivision, the director may create a net operation reserve and deposit funds as necessary to meet the operating expenses of the lottery provided that the amount credited in any fiscal year into the net operating reserve account may not exceed five percent of the adjusted gross revenue and that no more than 50 percent of the adjusted gross revenue is credited to the lottery operations account and the net operating reserve account in any one fiscal year.

Subd. 3. [RACING PURSES.] Of the amounts provided in subdivision 2, six percent of the adjusted gross gaming machine and card game revenues must be set aside and used for purses for live races conducted by the racetrack holding a class A license under chapter 240.

Subd. 4. [INDIAN BENEFIT GRANTS.] The commissioner of administration shall receive one percent of adjusted gross gaming machine revenue to be administered in grants to nonreservation Indian projects which encourage the economic and social well-being of Indians residing in Minnesota who are not living on reservations or receiving proceeds from tribal gambling operations.

Sec. 11. [349A.19] [CARD GAMES.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, "blackjack" means the banking card game that involves the use of one or more decks of playing cards, the purpose of which is to reach the number "21" (or as close thereto as possible without exceeding the number "21") through the cumulative addition of cards dealt to the player and the house.

Subd. 2. [AUTHORIZATION.] The director may conduct the game of blackjack at a location authorized under section 349A.16, subdivision 2, subject to the requirements of this section.

Subd. 3. [GAME PROCEDURES.] The director shall adopt game procedures under section 349A.04 for conducting blackjack games.

Subd. 4. [PROHIBITIONS.] (a) A person under the age of 18 years may not win a prize from the game of blackjack conducted under this section and the lottery may not permit a person under the age of 18 years to play a game of blackjack under this section.

(b) The director or any employee of the lottery, or a member of their immediate family residing in the same household, may not play a game authorized by this section or receive a prize from a game authorized by this section.

Subd. 5. [COMPULSIVE GAMBLING NOTICE.] The director shall prominently post in the area where the games authorized by this section are conducted the toll-free telephone number established by the commissioner of human services in connection with the compulsive gambling program established under section 245.98. The director and the location provider shall establish a proactive plan to identify problem gamblers and take appropriate action.

Subd. 6. [PRIZES.] A person who plays a game conducted under this section agrees to be bound by the rules and game procedures applicable to that game. The player acknowledges that the determination of whether the player has won a prize is subject to the rules and game procedures adopted by the director, claim procedures established by the director for that game, and any confidential or public validation tests established by the director for that game. A prize claimed from the play of a game under this section is not subject to section 349A.08, subdivision 8.

Subd. 7. [DEPOSIT OF RECEIPTS.] The director shall deposit the adjusted gross card revenue into the lottery fund.

Subd. 8. [LOTTERY OPERATIONS.] The director may not credit in any fiscal year more than 50 percent of the adjusted gross card revenue to the lottery operations account established under section 349A.10, subdivision 3, for conducting, promoting, and advertising card games authorized under this section. Promotion and advertising of card games authorized under this section are not subject to the provisions of section 349A.10, subdivision 3, paragraph (c).

Sec. 12. [349A.20] [LOCAL LICENSES.]

No political subdivision may require a local license to operate a gaming machine, restrict or regulate the placement of a gaming machine, restrict or regulate the conduct of games authorized under section 349A.19, or impose a tax or fee on the business of operating gaming machines or the conduct of games under section 349A.19.

Sec. 13. [349A.21] [CRIMINAL HISTORY.]

The director has access to all criminal history data compiled by the director of gambling enforcement on any person under contract with the lottery to provide goods or services under section 349A.16.

Sec. 14. [349A.22] [GAMING MACHINES; CARD GAMES.]

Notwithstanding section 349A.13, clause (2), the director may install and operate a gaming machine operated by coin or currency that when operated determines the winner of a game under sections 349A.16 to 349A.18. Section 340A.410 does not prohibit the placement, operation, or possession of a gaming machine under this chapter or the conduct of card games authorized under section 349A.19.

Sec. 15. [349A.23] [EMPLOYEES; GAMING MACHINES; CARD GAMES.]

The director may appoint personnel as necessary to operate gaming machines, to provide support for the conduct of gaming machine games, and to conduct games authorized under section 349A.19, except that all employees appointed under this section are in the unclassified service. Section 349A.02, subdivision 6, applies to all employees hired under this section.

Sec. 16. Minnesota Statutes 1996, section 609.761, subdivision 2, is amended to read:

Subd. 2. [STATE LOTTERY.] Sections 609.755 and 609.76 do not prohibit the operation of the state lottery or the sale, possession, or purchase of tickets for the state lottery under chapter 349A, or the manufacture, possession, sale, or operation of a gaming machine under chapter 349A, or the conduct or playing of a card game as authorized under section 349A.19.

Sec. 17. [FUND BALANCE UPON COMPLETION OF BASEBALL PARK.]

Upon certification by the metropolitan sports facilities commission that all bonds and other obligations issued under Minnesota Statutes, section 473.5993, have been retired or defeased, revenues remaining in the baseball stadium account, and all revenues derived from the funding sources created under this article must be deposited in a separate fund in the state treasury to be appropriated to provide for property tax reduction and programs related to children's issues.

Sec. 18. [EFFECTIVE DATE.]

This article is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to public administration; providing for baseball stadium construction and funding; authorizing revenue bonds; appropriating money; amending Minnesota Statutes 1996, sections 349A.01, by adding subdivisions; 349A.10, subdivision 5; 473.551, subdivision 8, and by adding subdivisions; 473.552; 473.553, subdivision 1; 473.556, subdivisions 3, 4, 5, and by

adding subdivisions; and 609.761, subdivision 2; Minnesota Statutes 1997 Supplement, section 297A.259; proposing coding for new law in Minnesota Statutes, chapters 349A; and 473; proposing coding for new law as Minnesota Statutes, chapter 473I."

And when so amended the bill be reported to the Senate without recommendation. Amendments adopted. Report adopted.

### SECOND READING OF SENATE BILLS

S.F. Nos. 2 and 11 were read the second time.

### MOTIONS AND RESOLUTIONS

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committee indicated.

#### **Mr. Kelly, R.C. introduced--**

**S.F. No. 21:** A bill for an act relating to the state lottery; proposing an amendment to the Minnesota Constitution to dedicate ten percent of the net proceeds of the state lottery to an affordable housing and home ownership fund.

Referred to the Committee on Rules and Administration.

#### **Ms. Anderson, Messrs. Janezich, Morse and Ms. Wiener introduced--**

**S.F. No. 22:** A resolution memorializing Congress to support legislative initiatives to discourage use of public resources for movement of professional sports franchises and to repeal antitrust exemptions for professional sports.

Referred to the Committee on Rules and Administration.

#### **Mr. Knutson, Ms. Hanson, Mr. Scheevel and Ms. Olson introduced--**

**S.F. No. 23:** A bill for an act relating to education; providing for legislative approval prior to adoption of certain rules.

Referred to the Committee on Rules and Administration.

### RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

### CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

### SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. Nos. 2 and 11 and that the rules of the Senate be so far suspended as to give S.F. Nos. 2 and 11, now on General Orders, their third reading and place them on their final passage. The motion prevailed.

**S.F. No. 11:** A bill for an act relating to public administration; providing for baseball stadium construction and funding; authorizing revenue bonds; appropriating money; amending Minnesota Statutes 1996, sections 349A.01, by adding subdivisions; 349A.10, subdivision 5; 473.551, subdivision 8, and by adding subdivisions; 473.552; 473.553, subdivision 1; 473.556, subdivisions 3, 4, 5, and by adding subdivisions; and 609.761, subdivision 2; Minnesota Statutes 1997 Supplement, section 297A.259; proposing coding for new law in Minnesota Statutes, chapters 349A; and 473; proposing coding for new law as Minnesota Statutes, chapter 473I.

Mr. Novak moved to amend S.F. No. 11 as follows:

Page 18, line 6, delete "and the conduct of card games under section 349A.19"

Page 19, delete section 6

Page 20, line 9, delete "or to adjusted gross card revenue"

Page 20, lines 10 and 11, delete "; CARD GAMES"

Page 20, line 16, delete "or for conducting, promoting, or" and insert a period

Page 20, delete line 17

Page 20, lines 20 and 21, delete ", and to conduct card games as permitted under section 349A.19"

Page 20, lines 25 and 26, delete ", and the card games permitted under section 349A.19 may only be conducted,"

Page 20, line 33, delete ", card games,"

Pages 23, and 24, delete section 11

Page 24, lines 28 and 29, delete ", restrict or regulate the conduct of games authorized under section 349A.19"

Page 25, line 1, delete "; CARD GAMES"

Page 25, line 7, delete "or the conduct of card games" and insert a period

Page 25, delete line 8

Page 25, lines 9 and 10, delete "; CARD GAMES"

Page 25, line 13, delete everything after the first "games"

Page 25, line 14, delete "349A.19"

Page 25, after line 16, insert:

"Sec. 14. [349A.31] [BASEBALL LOTTERY GAMES.]

The lottery shall conduct instant lottery games each year with a baseball theme."

Page 25, line 23, delete ", or the conduct or" and insert a period

Page 25, delete line 24

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 40, as follows:

Those who voted in the affirmative were:

Beckman	Higgins	Johnson, J.B.	Limmer	Pogemiller
Betzold	Hottinger	Junge	Lourey	Stumpf
Cohen	Janezich	Kelley, S.P.	Moe, R.D.	Ten Eyck
Dille	Johnson, D.E.	Krentz	Morse	
Flynn	Johnson, D.H.	Langseth	Novak	

Those who voted in the negative were:

Anderson	Johnson, D.J.	Metzen	Price	Scheid
Belanger	Kelly, R.C.	Neuville	Ranum	Solon
Berg	Kleis	Oliver	Robertson	Spear
Berglin	Knutson	Olson	Robling	Stevens
Day	Laidig	Ourada	Runbeck	Terwilliger
Foley	Larson	Pappas	Sams	Vickerman
Frederickson	Lesewski	Pariseau	Samuelson	Wiener
Hanson	Marty	Piper	Scheevel	Wiger

The motion did not prevail. So the amendment was not adopted.

Mr. Hottinger moved to amend S.F. No. 11 as follows:

Pages 17 to 19, delete sections 1 to 6

Pages 20 to 25, delete sections 8 to 16

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Hottinger then moved to amend the Hottinger amendment to S.F. No. 11 as follows:

Page 1, line 2, after "delete" insert "article 3,"

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Hottinger amendment, as amended.

The roll was called, and there were yeas 33 and nays 31, as follows:

Those who voted in the affirmative were:

Anderson	Higgins	Kelley, S.P.	Pappas	Spear
Beckman	Hottinger	Krentz	Piper	Ten Eyck
Berglin	Janezich	Lourey	Pogemiller	Vickerman
Betzold	Johnson, D.E.	Marty	Price	Wiener
Flynn	Johnson, D.H.	Moe, R.D.	Ranum	Wiger
Foley	Johnson, J.B.	Morse	Sams	
Frederickson	Junge	Murphy	Solon	

Those who voted in the negative were:

Belanger	Johnson, D.J.	Lesewski	Pariseau	Stevens
Berg	Kelly, R.C.	Metzen	Robertson	Stumpf
Cohen	Kleis	Neuville	Robling	Terwilliger
Day	Knutson	Novak	Runbeck	
Dille	Laidig	Oliver	Samuelson	
Fischbach	Langseth	Olson	Scheevel	
Hanson	Larson	Ourada	Scheid	

The motion prevailed. So the Hottinger amendment, as amended, was adopted.

Mr. Day moved that S.F. No. 11 be laid on the table. The motion prevailed.

**S.F. No. 2:** A bill for an act relating to capital improvements; providing for a process to construct, fund, maintain, and govern a major league baseball park; providing for powers and duties of the metropolitan sports facilities commission; authorizing certain taxes, revenue distributions, bonds and other debt obligations, and allocations; appropriating money for the baseball park, a professional hockey arena in the city of St. Paul, and the Minneapolis convention center; authorizing taxation for the Duluth entertainment convention center; amending Minnesota Statutes 1996, sections 297A.135, subdivisions 2, 3, 4, and by adding a subdivision; 297A.25, subdivision 60, and by adding a subdivision; 349A.10, subdivision 5, and by adding subdivisions; 473.551, subdivision 8, and by adding subdivisions; 473.552; 473.553, subdivision 1; 473.556, subdivisions 3, 4, 5, and by adding subdivisions; 473.595, subdivision 1; and 473F.08, subdivision 5, and by adding a subdivision; Laws 1986, chapter 396, sections 2, subdivision 1, as amended; and 4, subdivision 3; Laws 1993, chapter 375, article 9, section 46, subdivisions 2, as amended, and 5; proposing coding for new law in Minnesota Statutes, chapter 473; proposing coding for new law as Minnesota Statutes, chapters 473I; and 473J; repealing Laws 1986, chapter 396, section 2, subdivision 2.

Mr. Johnson, D.J. moved to amend S.F. No. 2 as follows:

Pages 17 to 30, delete articles 2 and 3

Page 34, line 19, delete everything after "from"

Page 34, line 20, delete "8" and insert "revenues available to the council"

Page 34, delete lines 35 and 36

Page 35, delete lines 1 to 3

Page 35, line 4, delete "with law."

Page 35, delete lines 7 to 10

Page 35, line 11, delete everything before "No"

Page 35, line 13, delete ", but they have a valid"

Page 35, delete lines 14 to 17

Page 35, line 18, delete everything before the period

Page 35, line 29, delete everything after "council,"

Page 35, line 30, delete "of the lodging tax revenues,"

Page 36, line 2, delete everything after the period

Page 36, delete lines 3 and 4

Page 36, line 5, delete everything before "If"

Pages 36 and 37, delete section 8

Page 41, delete section 14

Pages 42 and 43, delete article 5

Renumber the articles and sections in sequence and correct the internal references

Amend the title accordingly



Mr. Moe, R.D. moved to amend the Johnson, D.J. amendment to S.F. No. 2 as follows:

Page 1, line 2, delete "30" and insert "29" and delete "articles 2 and 3" and insert "article 2"

The question was taken on the adoption of the Moe, R.D. amendment to the Johnson, D.J. amendment.

The roll was called, and there were yeas 16 and nays 47, as follows:

Those who voted in the affirmative were:

Beckman	Dille	Janezich	Moe, R.D.	Pogemiller
Berglin	Flynn	Johnson, D.E.	Murphy	Scheid
Betzold	Higgins	Langseth	Novak	Vickerman
Cohen				

Those who voted in the negative were:

Anderson	Johnson, D.J.	Lourey	Piper	Spear
Belanger	Johnson, J.B.	Marty	Price	Stevens
Berg	Junge	Metzen	Ranum	Stumpf
Day	Kleis	Morse	Robertson	Ten Eyck
Fischbach	Knutson	Neuville	Robling	Terwilliger
Foley	Krentz	Oliver	Runbeck	Wiener
Frederickson	Laidig	Olson	Sams	Wiger
Hanson	Larson	Ourada	Samuelson	
Hottinger	Lesewski	Pappas	Scheevel	
Johnson, D.H.	Limmer	Pariseau	Solon	

The motion did not prevail. So the amendment to the amendment was not adopted.

The question recurred on the adoption of the Johnson, D.J. amendment.

The roll was called, and there were yeas 50 and nays 14, as follows:

Those who voted in the affirmative were:

Anderson	Johnson, D.J.	Limmer	Pappas	Scheevel
Belanger	Johnson, J.B.	Lourey	Pariseau	Solon
Berg	Junge	Marty	Piper	Spear
Cohen	Kelly, R.C.	Metzen	Price	Stevens
Day	Kleis	Morse	Ranum	Stumpf
Dille	Knutson	Murphy	Robertson	Ten Eyck
Fischbach	Krentz	Neuville	Robling	Terwilliger
Frederickson	Laidig	Oliver	Runbeck	Vickerman
Hanson	Larson	Olson	Sams	Wiener
Johnson, D.H.	Lesewski	Ourada	Samuelson	Wiger

Those who voted in the negative were:

Beckman	Foley	Janezich	Langseth	Pogemiller
Betzold	Higgins	Johnson, D.E.	Moe, R.D.	Scheid
Flynn	Hottinger	Kelley, S.P.	Novak	

The motion prevailed. So the amendment was adopted.

Mr. Oliver moved to amend S.F. No. 2 as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

LIMITED PARTNERSHIP

Section 1. [473.5729] [FINDINGS; PUBLIC PURPOSE.]

The legislature finds that:

(1) obtaining and securing the retention and location of professional major league sports teams

in the state and within the metropolitan area provides economic development, attracts and secures additional employment, maintains and enhances the tax base upon which the state and its political subdivisions depend for the financing of other governmental functions, and provides important social, entertainment, recreational, and tourism opportunities for the state and its citizens;

(2) the retention of major league professional baseball and the construction of an additional baseball facility in the state and within the metropolitan area, by reasonable methods that the legislature and the commission may devise to further secure and promote these public purposes, will increase and enhance the value and public benefits afforded to the state and its citizens; and

(3) it is therefore necessary for the general welfare of the public to aid in the financing of the acquisition, construction, and operation of a new baseball facility and to retain and secure the long-term commitment of a major league professional baseball team by reasonable means, including a unique public-private investment partnership, and by authorizing other financing and other arrangements as necessary to accomplish that purpose. It is hereby determined and declared that the purposes of this act are public and governmental.

Sec. 2. [473.573] [PARTICIPATION IN STADIUM PARTNERSHIP.]

The public authority as defined in section 3 may participate in a limited partnership that has as its purpose to construct and own a baseball stadium to be leased to the Minnesota Twins major league baseball team on a 20-year lease. Included in the lease must be the option for the team to play April and after September 15 regular season and post-season games in the existing metrodome and other regular season games that could be canceled by inclement weather if the metrodome facility is available.

The limited partnership is subject to an agreement detailing the rights and responsibilities of the various partners and is contingent on an agreement which is acceptable to all partners.

Sec. 3. [473.574] [PUBLIC AUTHORITY.]

In this act, the public authority means the metropolitan sports facilities commission or its successor organization.

The public authority is the general partner and is responsible for the management of the partnership.

Sec. 4. [473.575] [STADIUM PARTNERSHIP.]

Subdivision 1. [INVESTMENT INTERESTS.] (a) The public authority's participation in the limited partnership under section 2 is contingent upon each of the limited partners formally committing by November 30, 1997, to making the contributions to the partnership to construct a new major league baseball stadium set out in this section. The limited partners are:

(1) the public authority, with a contribution of \$150,000,000; and

(2) the owners of the Minnesota Twins major league baseball team, with a contribution of \$110,000,000.

(b) The initial duration of the partnership is 20 years. The participation of the public authority in the partnership as a limited and general partner is further contingent upon the Minnesota Twins major league baseball team entering into an agreement with the public authority to use the stadium for all scheduled regular season and post-season games for 20 years.

Subd. 2. [STATE BONDS.] The state shall contribute \$100,000,000 from the proceeds of bonds issued and sold pursuant to section 16A.663 towards the construction of the major league baseball stadium, title to which must remain in the public authority until the bonds are retired or defeased, though it may be leased to the partnership as provided in section 16A.695.

Sec. 5. [473.576] [OPTIONS AT END OF INITIAL PARTNERSHIP.]

At the end of the initial 20-year partnership, three options are available to the partnership:

- (1) renew the partnership for a term to be agreed upon;
- (2) negotiate a buy out of the partnership by one of the limited partners; or
- (3) sale of the stadium to a nonpartner.

Sec. 6. [473.5761] [SITE.]

Except as provided in section 11, the city of Minneapolis and Hennepin county are responsible for making a site available by means of a 20-year land lease to the public authority with an option for the authority to renew the lease or purchase the site at its 1997 value as determined in 1997 by one appraiser appointed by each party and a third chosen by the other two appraisers, and for preparation including required infrastructure.

Sec. 7. [473.5762] [ADDITIONAL AUTHORITY, TERMS, CONDITIONS.]

Subdivision 1. [JOINT POWERS.] The public authority may jointly or cooperatively exercise powers under section 471.59, according to the terms of that section, with any other governmental unit that may make use of section 471.59 with another entity.

Subd. 2. [PROPERTY TAX EXEMPTION.] Any real or personal property acquired, owned, leased, controlled, used, or occupied by the public authority for any of the purposes of this act is declared to be acquired, owned, leased, controlled, used, and occupied for public, governmental, and municipal purposes and is exempt from ad valorem taxation by the state or any political subdivision of the state. The properties are subject to special assessments levied by a political subdivision for a local improvement in amounts proportionate to and not exceeding the special benefit received by the properties from the improvement. A possible use of the properties in any manner different from their use under this act at the time must not be considered in determining the special benefit received by the properties. Notwithstanding section 272.01, subdivision 2, or 273.19, real or personal property comprising all or part of the baseball stadium leased by the limited partnership described in this act or by its general partner to another for the operation of the baseball facility is exempt from taxation regardless of the length of the lease.

Subd. 3. [CAPITAL REPAIR; IMPROVEMENTS.] The public authority is responsible for capital repairs, improvements, and enhancements and betterments necessary to maintain the baseball stadium as a state-of-the-art facility. A capital improvement fund must be established by the public authority.

Subd. 4. [OPERATING COSTS.] (a) The team owner shall fund the operating expenses of the baseball stadium. The public authority or the limited partnership is not liable for any operating loss of the team. The public authority shall not reimburse the owner or any creditor of the team for any operating loss of the team.

(b) Except when precluded by the Twins scheduled games including post-season games, the operator of the stadium must make the stadium reasonably available at its costs for appropriate University of Minnesota and other amateur sports events that are anticipated to attract a crowd that cannot be expected to be accommodated in any other available facility.

Subd. 5. [RECOMMENDATIONS ON GOVERNING BODY.] The public authority shall make recommendations to the legislature with respect to a new or broadened membership structure for itself or for its replacement by another public entity that will adequately represent the interests of the public with respect to the stadium and its other duties and responsibilities. The recommendations must be delivered to the chairs of the house local government and metropolitan affairs committee and the senate local and metropolitan government committee by February 1, 1998.

Subd. 6. [NAME OF BASEBALL STADIUM.] The stadium that is constructed under the terms of this act must be named "Pohlad Field" in recognition of Carl Pohlad's contribution to major league baseball in Minnesota, including ensuring the retention of the Minnesota Twins team in Minnesota in 1984 and his financial contribution to the construction of the stadium under this act.

Sec. 8. [473.5763] [ADMISSION TAX OR TICKET SURCHARGE.]

The public authority shall by resolution impose and maintain an admission tax or ticket surcharge of up to ten percent upon the granting, issuance, sale, or distribution, by any private or public person, association, or corporation, of the privilege of admission to activities at the baseball facility. No other tax, surcharge, or governmental imposition, except the taxes imposed by chapter 297A, may be levied by any other unit of government upon any such sale or distribution. The admission tax or ticket surcharge must be stated and charged separately from the sales price so far as practicable and must be collected by the grantor, seller, or distributor from the person admitted and is a debt from that person to the grantor, issuer, seller, or distributor, and the tax required to be collected is a debt owed by the grantor, issuer, seller, or distributor to the public authority. The debt is recoverable at law in the same manner as other debts. Every person who grants, issues, sells, or distributes tickets for the admissions may be required, as provided in resolutions of the public authority to secure a permit, to file returns, to deposit security for the payment of the tax, and to pay penalties for nonpayment and interest on late payments, that are considered necessary or expedient to ensure the prompt and uniform collection of the tax.

Sec. 9. [473.5764] [REVENUE TO PARTNERSHIP.]

(a) The public authority shall collect the following revenue for the partnership:

(1) rent from the Minnesota Twins, determined as follows: for the first four years of occupancy of the baseball stadium by the baseball team, no rent will be charged; for the fifth through the eighth years, rent of \$1,000,000 per year will be charged; for the ninth through the 12th years, rent of \$1,500,000; for the 13th through the 16th years, rent of \$2,000,000 will be charged; and for the 17th through the 20th years, rent of \$2,500,000 will be charged; and

(2) a tax on the price of admission to Minnesota Twins baseball games and other events at the stadium as provided in section 8.

(b) This revenue must be used for capital improvements and other expenses of the general partner.

Sec. 10. [473.5765] [CONSTRUCTION MATERIALS; SALES TAX EXEMPTION.]

Purchases of materials and supplies used or consumed in constructing or incorporated into the construction of the baseball stadium described in section 2, are exempt from the taxes imposed under chapter 297A, and from any sales and use tax imposed by a local unit of government notwithstanding any ordinance or charter provision. This exemption applies regardless of whether the materials and supplies are purchased by the owner of the baseball facility, the construction managers, or by a contractor or subcontractor.

Sec. 11. [473.5766] [ALTERNATE SITE.]

If the city of Minneapolis declines or is unable to make a site available for lease and provide the required infrastructure as provided in this article, the major league baseball stadium may be located in Bloomington on land owned or acquired by the public authority.

Sec. 12. [APPROPRIATION.]

The proceeds of the bonds issued under article 2 are appropriated from the bond proceeds fund to the commissioner of trade and economic development for a grant to the public authority for construction of the major league baseball stadium as provided in this act.

Sec. 13. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 2  
STATE BONDS

Section 1. [16A.663] [GENERAL OBLIGATION SPECIAL TAX BONDS.]

Subdivision 1. [AUTHORITY.] In accordance with the constitution, article XI, sections 5 and 7, the commissioner may by order sell and issue general obligation special tax bonds of the state evidencing public debt incurred for any purpose stated in article 1 in an amount up to \$100,000,000. The bonds are payable primarily from the proceeds of special taxes appropriated to special tax bond debt service account No. 2 established in subdivision 3 and other money on hand in that fund from time to time; however, the bonds are general obligations of the state, and the full faith and credit of the state are pledged for their payment.

Subd. 2. [MANNER OF ISSUANCE; MATURITIES.] The bonds must be issued and sold in accordance with section 16A.641, except that the maturities of the bonds must not exceed 20 years from the date of issue. Sections 16A.672 and 16A.675 apply to the bonds.

Subd. 3. [ESTABLISHMENT OF DEBT SERVICE FUND; APPROPRIATION OF DEBT SERVICE FUND MONEY.] There is established within the state bond fund a separate and special account designated as general obligation special tax bond debt service account No. 2. There must be credited to this debt service account in each fiscal year from the proceeds of the increase in the rate of tax on cigarettes and tobacco products under article 3, an amount sufficient to increase the balance on hand in the debt service account on each December 1 to an amount equal to the full amount of principal and interest to come due on all outstanding bonds whose debt service is payable primarily from proceeds of the tax to and including the second following July 1. The money on hand in the debt service account must be used solely for the payment of the principal of, and interest on, the bonds, and is appropriated for this purpose. This appropriation does not cancel as long as any of the bonds remain outstanding.

Subd. 4. [APPROPRIATION FROM GENERAL FUND.] There is annually appropriated to the general obligation special tax bond debt service account No. 2 from the general fund the amount that, added to the amount in the general obligation special tax bond debt service account No. 2 on December 1 each year, after giving effect to subdivision 3 and section 2, is equal to the full amount of principal and interest to come due on all bonds to and including July 1 in the second ensuing year.

Subd. 5. [CONSTITUTIONAL TAX LEVY.] Under the constitution, article XI, section 7, the state auditor must levy each year on all taxable property within the state a tax sufficient, with the amount then on hand in the general obligation special tax bond debt service account No. 2, to pay all principal and interest on the bonds due and to become due to and including July 1 in the second ensuing year. The tax is not subject to limit as to rate or amount. However, the amount of money appropriated from other sources as provided in subdivisions 3 and 4, and actually received and on hand before the levy in any year, reduces the amount of the tax otherwise required to be levied. The proceeds of the tax must be credited to general obligation special tax bond debt service account No. 2.

Subd. 6. [APPLICATION AND APPROPRIATION OF PROCEEDS.] The proceeds of the bonds must be deposited and spent as provided in this subdivision and are appropriated for those purposes. Any accrued interest and any premium received on the sale of the bonds, and any amount of bond proceeds determined by the commissioner to be needed to pay interest payable on the bonds up to 18 months following their issuance, must be credited to general obligation special tax bond debt service account No. 2. Except as otherwise required by law, the balance of the bond proceeds shall be credited to the bond proceeds fund and spent for the purposes specified in this act. So much of the proceeds as is necessary must be used to pay costs incurred in issuing and selling the bonds.

Sec. 2. Minnesota Statutes 1997 Supplement, section 297A.44, subdivision 1, is amended to read:

Subdivision 1. (a) Except as provided in paragraphs (b) and (c), all revenues, including interest and penalties, derived from the excise and use taxes imposed by sections 297A.01 to 297A.44 shall be deposited by the commissioner in the state treasury and credited to the general fund.

(b) All excise and use taxes derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project, from and after the date on which a conditional commitment for a loan guaranty for the project is made pursuant to section 41A.04, subdivision 3, shall be deposited in the Minnesota agricultural and economic account in the special revenue fund. The commissioner of finance shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account shall be reduced by any refunds and by the costs incurred by the department of revenue to administer and enforce the assessment and collection of the taxes.

(c) All revenues, including interest and penalties, derived from the excise and use taxes imposed on sales and purchases included in section 297A.01, subdivision 3, paragraphs (d) and (k), clauses (1) and (2), must be deposited by the commissioner in the state treasury, and credited as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); ~~and~~

(2) then to general obligation special tax bond debt service account No. 2 in each fiscal year the amount required by section 16A.663, subdivision 3, but only to the extent this revenue is needed to make payments into the account because the revenue derived from article 3 is inadequate to fund the debt service account as needed; and

(3) after the requirements of clause clauses (1) and (2) have been met, the balance must be credited to the general fund.

Sec. 3. [EFFECTIVE DATE.]

This article is effective the day after its final enactment.

### ARTICLE 3

#### CIGARETTE AND TOBACCO PRODUCT TAXES

Section 1. Minnesota Statutes 1997 Supplement, section 297F.05, subdivision 1, is amended to read:

Subdivision 1. [RATES; CIGARETTES.] A tax is imposed upon the sale of cigarettes in this state, upon having cigarettes in possession in this state with intent to sell, upon any person engaged in business as a distributor, and upon the use or storage by consumers, at the following rates, subject to the discount provided in this chapter:

(1) on cigarettes weighing not more than three pounds per thousand, ~~24~~ 26.5 mills on each such cigarette; and

(2) on cigarettes weighing more than three pounds per thousand, ~~48~~ 53 mills on each such cigarette.

Sec. 2. Minnesota Statutes 1997 Supplement, section 297F.05, subdivision 3, is amended to read:

Subd. 3. [RATES; TOBACCO PRODUCTS.] A tax is imposed upon all tobacco products in this state and upon any person engaged in business as a distributor, at the rate of ~~35~~ 39 percent of the wholesale sales price of the tobacco products. The tax is imposed at the time the distributor:

(1) brings, or causes to be brought, into this state from outside the state tobacco products for sale;

(2) makes, manufactures, or fabricates tobacco products in this state for sale in this state; or

(3) ships or transports tobacco products to retailers in this state, to be sold by those retailers.

Sec. 3. Minnesota Statutes 1997 Supplement, section 297F.05, subdivision 4, is amended to read:

Subd. 4. [USE TAX; TOBACCO PRODUCTS.] A tax is imposed upon the use or storage by consumers of tobacco products in this state, and upon such consumers, at the rate of ~~35~~ 39 percent of the cost to the consumer of the tobacco products.

Sec. 4. Minnesota Statutes 1997 Supplement, section 297F.08, subdivision 7, is amended to read:

Subd. 7. [PRICE OF STAMPS.] The commissioner shall sell stamps to any person licensed as a distributor at a discount of ~~1.0~~ 0.9 percent from the face amount of the stamps for the first \$1,500,000 of such stamps purchased in any fiscal year; and at a discount of ~~0.6~~ 0.55 percent on the remainder of such stamps purchased in any fiscal year. The commissioner shall not sell stamps to any other person. The commissioner may prescribe the method of shipment of the stamps to the distributor as well as the quantities of stamps purchased.

Sec. 5. Minnesota Statutes 1997 Supplement, section 297F.09, subdivision 2, is amended to read:

Subd. 2. [MONTHLY RETURN; TOBACCO PRODUCTS DISTRIBUTOR.] On or before the 18th day of each calendar month, a distributor with a place of business in this state shall file a return with the commissioner showing the quantity and wholesale sales price of each tobacco product:

(1) brought, or caused to be brought, into this state for sale; and

(2) made, manufactured, or fabricated in this state for sale in this state, during the preceding calendar month.

Every licensed distributor outside this state shall in like manner file a return showing the quantity and wholesale sales price of each tobacco product shipped or transported to retailers in this state to be sold by those retailers, during the preceding calendar month. Returns must be made in the form and manner prescribed by the commissioner and must contain any other information required by the commissioner. The return must be accompanied by a remittance for the full tax liability shown, less ~~1.5~~ 1.35 percent of the liability as compensation to reimburse the distributor for expenses incurred in the administration of this chapter. The return for the May liability and 75 percent of the estimated June liability is due on the date payment of the tax is due.

Sec. 6. Minnesota Statutes 1997 Supplement, section 297F.10, subdivision 1, is amended to read:

Subdivision 1. [TAX AND USE TAX ON CIGARETTES.] Revenue received from cigarette taxes, as well as related penalties, interest, license fees, and miscellaneous sources of revenue shall be deposited by the commissioner in the state treasury and credited as follows:

(a) first to the general obligation special tax bond debt service account in each fiscal year the amount required to increase the balance on hand in the account on each December 1 to an amount equal to the full amount of principal and interest to come due on all outstanding bonds whose debt service is payable primarily from the proceeds of the tax to and including the second following July 1; and

(b) after the requirements of paragraph (a) have been met:

(1) the revenue produced by one mill of the tax on cigarettes weighing not more than three pounds a thousand and two mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the Minnesota future resources fund; and

(2) the revenue produced by 2.5 mills of the tax on cigarettes weighing not more than three pounds a thousand and five mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the general obligation special tax bond debt service account No. 2 as provided in article 2, section 1, subdivision 3. If the amount described in this clause exceeds the amount required to be credited to the debt service account for a year, the excess is appropriated to the commissioner of health to be used for tobacco control education programs emphasizing youth tobacco use prevention programs; and

(3) the balance of the revenues derived from taxes, penalties, and interest (under this chapter) and from license fees and miscellaneous sources of revenue shall be credited to the general fund.

Sec. 7. Minnesota Statutes 1997 Supplement, section 297F.10, subdivision 2, is amended to read:

Subd. 2. [TAX AND USE TAX ON TOBACCO PRODUCTS.] Revenue received from taxes on tobacco products, as well as related penalties, interest, and license fees shall be deposited by the commissioner in the state treasury and credited as follows:

(1) the revenue produced by a tax of four percent of the wholesale sales price of the tobacco products under subdivision 1 and of the cost of the tobacco products under subdivision 2 must be credited to the general obligation special tax bond debt service account No. 2 as provided in article 2, section 1, subdivision 3. If the amount described in this clause exceeds the amount required to be credited to the debt service account for a year, the excess is appropriated to the commissioner of health to be used for tobacco control education programs emphasizing youth tobacco use prevention programs.

(2) the balance of the revenue shall be credited to the general fund.

Sec. 8. [FLOOR STOCKS TAX.]

Subdivision 1. [CIGARETTES.] A floor stocks tax is imposed on every person engaged in business in this state as a distributor, retailer, subjobber, vendor, manufacturer, or manufacturer's representative of cigarettes, on the stamped cigarettes and unaffixed stamps in the person's possession or under the person's control at 12:01 a.m. on January 1, 1998. The tax is imposed at the following rates, subject to the discounts in Minnesota Statutes, section 297F.08:

(1) on cigarettes weighing not more than three pounds a thousand, 2.5 mills on each cigarette; and

(2) on cigarettes weighing more than three pounds a thousand, five mills on each cigarette.

Each distributor, by January 8, 1998, shall file a report with the commissioner of revenue, in the form the commissioner prescribes, showing the stamped cigarettes and unaffixed stamps on hand at 12:01 a.m. on January 1, 1998, and the amount of tax due on the cigarettes and unaffixed stamps. The tax imposed by this section is due and payable by February 1, 1998, and after that date bears interest as provided in Minnesota Statutes, section 270.75.

Each retailer, subjobber, vendor, manufacturer, or manufacturer's representative shall file a return with the commissioner, in the form the commissioner prescribes, showing the cigarettes on hand at 12:01 a.m. on January 1, 1998, and pay the tax due on them by February 1, 1998. Tax not paid by the due date bears interest as provided in Minnesota Statutes, section 270.75.

Subd. 2. [TOBACCO PRODUCTS.] A floor stocks tax is imposed upon every person engaged in business in this state as a distributor of tobacco products, at the rate of four percent of the wholesale sales price of each tobacco product in the person's possession or under the person's control at 12:01 a.m. on January 1, 1998. Each distributor, by January 8, 1998, shall file a report with the commissioner, in the form the commissioner prescribes, showing the tobacco products on hand at 12:01 a.m. on January 1, 1998, and the amount of tax due on them. The tax imposed by this section less the discount provided in Minnesota Statutes, section 297F.09, subdivision 2, is due and payable by February 1, 1998, and thereafter bears interest as provided in Minnesota Statutes, section 270.75.

Subd. 3. [AUDIT AND ENFORCEMENT.] The tax imposed by this section is subject to the audit, assessment, and collection provisions applicable to the taxes imposed under Minnesota Statutes, chapter 297F. The commissioner may require a distributor to receive and maintain copies of floor stock tax returns filed by all persons requesting a credit for returned cigarettes.

Subd. 4. [DEPOSIT OF PROCEEDS.] The revenue from the tax imposed under this section must be deposited by the commissioner in the state treasury and credited to the general obligation special tax bond debt service account No. 2 as provided in article 2, section 1, subdivision 3.



Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective January 1, 1998."

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 8 and nays 56, as follows:

Those who voted in the affirmative were:

Dille	Langseth	Novak	Pogemiller	Sams
Johnson, D.E.	Moe, R.D.	Oliver		

Those who voted in the negative were:

Beckman	Higgins	Laidig	Pappas	Spear
Belanger	Hottinger	Larson	Pariseau	Stevens
Berg	Janezich	Lesewski	Piper	Stumpf
Berglin	Johnson, D.H.	Limmer	Price	Ten Eyck
Betzold	Johnson, D.J.	Lourey	Ranum	Terwilliger
Cohen	Johnson, J.B.	Marty	Robertson	Vickerman
Day	Junge	Metzen	Robling	Wiener
Fischbach	Kelley, S.P.	Morse	Runbeck	Wiger
Flynn	Kelly, R.C.	Murphy	Samuelson	
Foley	Kleis	Neuville	Scheevel	
Frederickson	Knutson	Olson	Scheid	
Hanson	Krentz	Ourada	Solon	

The motion did not prevail. So the amendment was not adopted.

Mr. Novak moved to amend S.F. No. 2 as follows:

Delete everything after the enacting clause and insert:

#### "ARTICLE 1

#### BASEBALL PARK CONSTRUCTION

Section 1. Minnesota Statutes 1996, section 473.551, subdivision 8, is amended to read:

Subd. 8. [SPORTS FACILITY OR SPORTS FACILITIES.] "Sports facility" or "sports facilities" means real or personal property comprising a stadium, stadiums, baseball parks, or arenas suitable for university or major league professional baseball, for university or major league professional football and soccer, or for both, or for university or major league hockey or basketball, or for both, together with adjacent parking facilities, including ~~on the effective date of Laws 1994, chapter 648, the metrodom, the baseball park, the met center, and, upon acquisition by the commission, the basketball and hockey arena.~~

Sec. 2. Minnesota Statutes 1996, section 473.551, is amended by adding a subdivision to read:

Subd. 18. [BASEBALL PARK.] "Baseball park" means a park owned by the commission and designed for playing major league professional baseball, as specified in section 473.5991.

Sec. 3. Minnesota Statutes 1996, section 473.551, is amended by adding a subdivision to read:

Subd. 19. [BASEBALL PARK REVENUE.] "Baseball park revenue" means all revenue received by or payable to the commission arising from its ownership and operation of the baseball park including, but not limited to, revenues from admission taxes or other special taxes, bond proceeds, fees, lottery proceeds, loans, and gifts.

Sec. 4. Minnesota Statutes 1996, section 473.551, is amended by adding a subdivision to read:

Subd. 20. [BASEBALL TEAM.] "Baseball team" means a major league professional baseball team.

Sec. 5. Minnesota Statutes 1996, section 473.551, is amended by adding a subdivision to read:

Subd. 21. [CITY.] "City" when referring to anything involving the baseball park means the city in which the baseball park is located.

Sec. 6. Minnesota Statutes 1996, section 473.551, is amended by adding a subdivision to read:

Subd. 22. [COUNTY.] "County" when referring to anything involving the baseball park means the county in which the baseball park is located.

Sec. 7. Minnesota Statutes 1996, section 473.551, is amended by adding a subdivision to read:

Subd. 23. [OWNER.] "Owner" means the individual or person who directly or indirectly owns an interest in the baseball team. Owner does not mean the commission.

Sec. 8. Minnesota Statutes 1996, section 473.552, is amended to read:

473.552 [LEGISLATIVE POLICY; PURPOSE.]

The legislature finds that:

(a) (1) the population in the metropolitan area has a need for sports facilities and that this need cannot be met adequately by the activities of individual municipalities, by agreements among municipalities, or by the private efforts of the people in the metropolitan area;

(b) (2) the commission's ownership and operation of the metrodome and met center has met in part the foregoing need and has promoted the economic and social interests of the metropolitan area, of the state, and of the public, ~~and;~~

(c) (3) the commission's acquisition of the basketball and hockey arena on the terms and conditions provided in sections 473.598 and 473.599 shall similarly and more fully meet the foregoing needs and promote these interests; and

(4) the commission's construction and operation of the baseball park by reasonable methods that the legislature and the commission may devise to secure the long-term commitment of the baseball team, including, but not limited to, the assignment of the operation of the baseball park to a private entity, all of which may further secure and promote these public purposes, will likewise meet the foregoing needs and promote these interests.

It is therefore necessary for the public health, safety and general welfare to establish a procedure for the acquisition and betterment of sports facilities and to create a metropolitan sports facilities commission.

Sec. 9. Minnesota Statutes 1996, section 473.553, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] The metropolitan sports facilities commission is established and as a local governmental unit and political subdivision of the state that may exercise its powers within the metropolitan area. The commission shall be organized, structured, and administered as provided in this section.

Sec. 10. Minnesota Statutes 1996, section 473.556, subdivision 3, is amended to read:

Subd. 3. [ACQUISITION OF PROPERTY.] The commission may acquire by lease, purchase, gift, or devise all necessary right, title, and interest in and to real or personal property deemed necessary to the purposes contemplated by sections 473.551 to 473.599 within the limits of the metropolitan area. The city, county, or commission may exercise the right of eminent domain under chapter 117 to acquire a site for the baseball park and, from time to time such other property, real, personal and intangible, as are essential and integral to the successful operation of a sports facility.

Sec. 11. Minnesota Statutes 1996, section 473.556, subdivision 4, is amended to read:

Subd. 4. [EXEMPTION OF PROPERTY.] Any real or personal property acquired, owned, leased, controlled, used, or occupied by the commission for any of the purposes of sections 473.551 to 473.599 is declared to be acquired, owned, leased, controlled, used and occupied for public, governmental, and municipal purposes, and shall be exempt from ad valorem taxation by the state or any political subdivision of the state, provided that such properties shall be subject to special assessments levied by a political subdivision for a local improvement in amounts proportionate to and not exceeding the special benefit received by the properties from the improvement. No possible use of any such properties in any manner different from their use under sections 473.551 to 473.599 at the time shall be considered in determining the special benefit received by the properties. All assessments shall be subject to final confirmation by the council, whose determination of the benefits shall be conclusive upon the political subdivision levying the assessment. Notwithstanding the provisions of section 272.01, subdivision 2, or 273.19, real or personal property leased by the commission to another person for uses related to the purposes of sections 473.551 to 473.599, including the operation of the metro dome, baseball park, met center, and, if acquired by the commission, the basketball and hockey arena shall be exempt from taxation regardless of the length of the lease. The provisions of this subdivision, insofar as they require exemption or special treatment, shall not apply to any real property comprising the met center which is leased by the commission for residential, business, or commercial development or other purposes different from those contemplated in sections 473.551 to 473.599.

Sec. 12. Minnesota Statutes 1996, section 473.556, subdivision 5, is amended to read:

Subd. 5. [FACILITY OPERATION.] The commission may equip, improve, operate, manage, maintain, and control the metro dome, baseball park, met center, basketball and hockey arena and sports facilities constructed, remodeled, or acquired under the provisions of sections 473.551 to 473.599.

Sec. 13. Minnesota Statutes 1996, section 473.556, is amended by adding a subdivision to read:

Subd. 18. [PRIVATE CONTRIBUTIONS.] Notwithstanding the requirements of subdivision 9, the commission may accept grants, gifts, or loans from public or private sources to further its public purposes with respect to the baseball park. The contributions may be used by the commission for any purpose related to the baseball park under sections 473.5991 to 473.5997, including, but not limited to, payment of revenue bonds or revenue anticipation certificates issued under section 473.5993, or reducing or eliminating any ownership, operations, or other obligations or liabilities of the commission under sections 473.5991 to 473.5997.

Sec. 14. Minnesota Statutes 1996, section 473.556, is amended by adding a subdivision to read:

Subd. 19. [BASEBALL PARK REVENUE.] The commission may spend baseball park revenue to pay any reasonable expenses necessary to administer, operate, improve, or maintain the baseball park or to pay debt service on bonds or other obligations sold for purposes of the baseball park. Baseball park revenue must be segregated from other revenue of the commission.

Sec. 15. [473.5991] [BASEBALL PARK.]

Subdivision 1. [ESSENTIAL CHARACTERISTICS.] The baseball park must be designed for playing major league baseball and no other major league spectator sport that uses a surface or seating configuration different from major league baseball. The baseball park may have a retractable roof. The baseball park may include parking or other transit facilities for patrons, performers, and employees and may include other amenities to enhance or make the use of the baseball park convenient and predictably accessible to all.

Subd. 2. [DESIGN.] The commission shall determine the program elements of the baseball park, including, but not limited to, capacity, suites, club seats, clubs, and amenities. The commission shall also determine the baseball park design, and the selection of the project construction team, including the architect and general contractor.

Subd. 3. [RELATED INFRASTRUCTURE.] The commission shall negotiate with the appropriate government entities, including the city and county within which the baseball park is

located, and the metropolitan council for necessary or appropriate infrastructure improvements to support the existence and operation of the baseball park, the movement of patrons to and from the baseball park, and their comfort, safety, and convenience while in and around the baseball park.

Subd. 4. [CONSTRUCTION METHODS.] The commission may contract for construction materials, supplies, and equipment in accordance with section 471.345, except that the commission may employ persons, firms, or corporations to perform one or more or all of the functions of architect, engineer, construction manager, or contractor for both design and construction, with respect to all or part of a project to build or remodel sports facilities. Contractors shall be selected through the process of public bidding, under section 471.345, except that the commission may narrow the listing of eligible bidders to those the commission determines to possess sufficient expertise to perform the intended functions and the commission may negotiate with the three lowest responsible bidders to achieve the best and final offer. The commission may require a construction manager to certify a construction price and completion date to the commission. The commission may require the posting of a bond in an amount determined by the commission to cover any costs that may be incurred over and above the certified price, including, but not limited to, costs incurred by the commission or loss of revenues resulting from incomplete construction on the completion date and any other obligations the commission may require the construction manager to bear. The commission shall secure surety bonds as required in section 574.26 securing payment of just claims in connection with all public work undertaken by it. Persons entitled to the protection of the bonds may enforce them as provided in sections 574.28 to 574.32 and are not entitled to a lien on any property of the commission under sections 514.01 to 514.16.

Sec. 16. [473.5992] [DETERMINATIONS BEFORE BONDS SOLD.]

Subdivision 1. [WHEN.] (a) The commission must do what it is required to do and determine that others have done what they are required to do under this section before it authorizes the sale of bonds under section 473.5993.

(b) If paragraph (a) is not complied with by March 31, 1998, the commission or the owner may require negotiations to cease. If the owner requires negotiations to cease under this subdivision or subdivision 7, the owner shall pay all costs and expenses of all deliberations of the commission incurred through the date when negotiations cease.

Subd. 2. [30-YEAR USE AGREEMENT.] (a) The commission must execute agreements with the owner and the baseball team to use the baseball park for all scheduled regular season and all postseason division, league, and world series championship play-off home games for no less than 30 years.

(b) The agreements shall afford to the commission, or to another public entity as the commission deems appropriate, the rights and remedies that are deemed necessary and appropriate to provide reasonable assurances that the baseball team and the owner will comply with the agreements throughout the 30-year term. The remedies must include liquidated damages in the amount of \$250,000,000, payable by the baseball team and the owner jointly and severally to the commission in the event the team relocates to another ballpark within the 30-year period, less 1/30 of that amount for each year the team has met its obligation to play in the baseball park. The remedies may include specific performance and injunctive relief and any other equitable remedies, and any additional remedies or ownership, voting, or other security arrangements the commission reasonably determines to be effective in ensuring the baseball team will play the required games in the baseball park throughout the 30-year term. In the enforcement of the agreements, the commission may elect from among the rights and remedies provided for in this paragraph, and that election does not extinguish the commission's other rights and remedies except as may otherwise be provided by law. It is the intent of the legislature that a material breach of an agreement between the commission and other public bodies and professional athletic teams that commit to the long-term playing of major league games at public facilities is deemed to cause irreparable harm for which no adequate remedy at law is available and that the grant of equitable relief to remedy the breach is in the public interest and shall be liberally so construed.

(c) The agreements shall provide for the annual payment of rent by the baseball team for the

use and enjoyment of the baseball park, and for the allocation, between the commission and the baseball team of all other revenues from whatever source attributable to the baseball park.

(d) The agreements must anticipate the possible sale and purchase of shares or other interests in the baseball team to the community, and provide that the owner use its good faith efforts to cause major league baseball to approve community ownership provisions in franchises. The commission shall report to the legislature, no later than January 15, 1999, on the ways and means appropriate and available to effectuate some form of community ownership of shares or other interests in the baseball team.

Subd. 3. [OWNER'S ABILITY TO COMPLY.] The baseball team and the owner must provide information sufficient to satisfy the commission of the baseball team's and the owner's ability to comply with the terms of the 30-year agreements.

Subd. 4. [OWNER'S INITIAL INVESTMENT.] The commission must enter into an agreement with the owner that provides that the owner will make an initial investment in the construction of the baseball park by paying the commission not less than \$..... to be paid on a date satisfactory to the commission. The initial investment shall not be secured by any property or revenues of the commission.

Subd. 5. [PRIVATE SECTOR SUPPORT.] (a) Private sector support for construction of the baseball park must be demonstrated by the following:

(1) at least 80 percent of the private suites provided for in the proposal for the baseball park have been sold or leased for at least ten years;

(2) at least 80 percent of the club seats provided for in the proposal for the baseball park are sold or leased for the opening season;

(3) at least \$25,000,000 in qualified pledges to purchase permanent seat licenses are made; and

(4) pledges to purchase 22,000 season tickets for the opening season are made.

(b) If the conditions in this subdivision are not met by March 31, 1998, either the owner or the commission may require negotiations for the baseball park to cease.

Subd. 6. [PRIVATE SECTOR CAPITAL PLAN.] The owner must develop a private sector capital plan approved by the commission that includes the sale or lease of some or all promotional rights in the baseball park.

Subd. 7. [MAJOR LEAGUE BASEBALL CONTRIBUTION.] The commission and the owner must enter into an agreement that provides that the owner will use its best efforts to obtain construction money for the baseball park from major league baseball.

Subd. 8. [COMMISSION TITLE TO PROPERTY.] The commission must acquire, contract to acquire, or begin eminent domain proceedings to acquire title to all real property including all easements and other appurtenances needed for the construction and operation of the baseball park and must receive a grant of money or enter into agreements sufficient to ensure the receipt of money, at the time and in the amount required, to make any payment upon which the commission's acquisition of title and possession of the real property is conditioned.

Subd. 9. [SUFFICIENT MONEY FOR CLEARING PROPERTY.] The commission must receive a grant of money or enter into agreements sufficient in the judgment of the commission to ensure the receipt of money, at the time and in the amount required, to pay all costs of clearing the real property needed for the construction and operation of the baseball park of all improvements thereon which would interfere with the construction or operation of the baseball park.

Subd. 10. [GUARANTEED MAXIMUM PRICE.] The commission must execute agreements that provide for the construction of the baseball park for a guaranteed maximum price and substantial completion date of April 1, 2001, and that requires performance bonds in an amount at least equal to 100 percent of the guaranteed maximum price to cover any costs incurred over and

above the guaranteed maximum price, including, but not limited to, costs incurred by the commission or loss of revenues resulting from incomplete construction on the substantial completion date.

Subd. 11. [NO STRIKES OR LOCKOUTS.] The commission must execute agreements with appropriate labor organizations and construction contractors that provide that no labor strikes or management lockouts will delay construction.

Subd. 12. [BASEBALL TEAM TO OPERATE BASEBALL PARK.] (a) The commission must execute agreements with the owner and the baseball team that provide for operation and maintenance of the baseball park at the expense of the owner and the team.

(b) The agreements may provide that:

(1) the baseball team will manage, maintain, operate, and repair the baseball park and may contract with one or more entities to operate part or all of the baseball park all subject to the approval of the commission; and

(2) the baseball team shall contract with one or more concessionaires to provide food and beverages for the baseball park subject to the approval of the commission.

(c) The agreements must provide criteria for maintenance and operation of the baseball park and remedies as referred to in subdivision 2, paragraphs (b) and (c), that may be exercised by the commission to ensure that the criteria are met. The agreements must also require that the baseball team and its affiliates and subsidiaries that are involved in the maintenance and operation provide annually audited financial statements to the commission.

Subd. 13. [COMMISSION PARTICIPATION IN BASEBALL TEAM CONTRACTS.] The commission and the owner must execute an agreement that provides that the commission may participate in the negotiations of any operations, concessions, rights, advertising, or any other contracts or agreements pertinent to the operation and maintenance of the baseball park between the owner and any other third party.

Subd. 14. [CAPITAL REPAIRS AND IMPROVEMENTS.] The commission must establish a baseball park capital repair and improvement account and enter into an agreement with the owner and the baseball team that provides that the owner and the baseball team must pay at least \$700,000 a year into the account to be used by the commission to make any capital repairs, improvements, enhancements, and betterments necessary to maintain the baseball park. The commission is not obligated to spend money for these purposes in excess of the balance in the capital repair and improvement account.

Subd. 15. [UNIVERSITY OF MINNESOTA.] The commission must consult with and consider the needs of the University of Minnesota for baseball facilities for the next 20 years.

Subd. 16. [REVENUES TO BE SUFFICIENT.] The anticipated baseball park revenue must be sufficient to pay when due all debt service on the revenue bonds and all administrative expenses of the commission. The anticipated revenue to the baseball team must be sufficient to pay all operating and maintenance expenses of the baseball park.

Subd. 17. [LEAGUE, MAJOR LEAGUE BASEBALL GUARANTY.] The commission must execute an agreement with the major league of which the baseball team is a member and with major league baseball that guarantees the continuance of the franchise in the metropolitan area for the period of the agreement referred to in subdivision 2.

Sec. 17. [INTERSTATE COMPETITION.]

The commission may cooperate and contract with other political entities in the United States, to petition or form an entity to petition the United States Congress to enact legislation to prevent injurious or uneconomic practices of governmental entities in seeking sports, exposition, and entertainment franchises and facilities. The attorney general may participate in appropriate litigation to prevent the injurious or uneconomic practices.

Sec. 18. [473.5993] [DEBT OBLIGATIONS FOR BASEBALL PARK.]

Subdivision 1. [PURPOSES.] The commission may by resolution authorize the sale and issuance of its revenue bonds for the following purposes after complying with or determining that section 473.5992, paragraph (a), has been or will be complied with in material respects:

(1) to acquire and better facilities for a baseball park, including, but not limited to, site assembly, preparation, and construction;

(2) to reimburse the commission for its costs in complying with and making the determinations required by section 473.5992, whenever incurred;

(3) to pay issuance costs and costs of bond insurance or other credit enhancement for the bonds and to establish necessary reserves for operating and debt service costs;

(4) to refund bonds issued under this section; and

(5) to fund judgments entered by any court against the commission in matters relating to the commission's functions related to the baseball park.

Subd. 2. [AMOUNT.] The principal amount of the bonds issued under subdivision 1, clause (1), exclusive of any original issue discount, must not exceed \$250,000,000.

Subd. 3. [TAXABILITY.] The bonds may be issued as tax-exempt revenue bonds or as taxable revenue bonds in the proportions that the commission may determine.

Subd. 4. [PROCEDURE.] The bonds shall be sold, issued, and secured in the manner provided in chapter 475 for bonds payable solely from revenues and the commission has the same powers and duties as a municipality and its governing body in issuing bonds under that chapter. The bonds may be sold at any price and at public or private sale as determined by the commission. An election is not required.

Subd. 5. [NOT A GENERAL OR MORAL OBLIGATION.] The bonds are payable solely from baseball park revenues. The bonds are not a general or moral obligation or debt of the commission, any other political subdivision of the state, or the state, and must not be included in the net debt of any city, county, or other subdivision of the state for the purpose of any net debt limitation. The state does not assume any obligation or liability for bonds sold or issued under this section.

Subd. 6. [BROKERAGE FIRM AGREEMENT.] Before issuing debt under this section, the commission must enter into an agreement with the brokerage firm to be used in connection with the sale and issuance of the bonds or revenue anticipation certificates under this section, guaranteeing that fees and charges payable to the brokerage firm under the agreement, including any underwriting discounts, do not exceed fees and charges customarily payable in connection with the sale and issuance of bonds or revenue anticipation certificates.

Subd. 7. [SECURITY.] Baseball park revenues must be and remain pledged and appropriated, for the benefit of and enforceable by the bondholders or their trustee, for the payment of all necessary and reasonable expenses of the operation, administration, maintenance, and debt service of the baseball park until all bonds and certificates issued under this section are fully paid or discharged in accordance with law. Bonds issued under this section may be secured by a bond resolution, or by a trust indenture entered into by the commission with a corporate trustee within or outside the state, which must define the baseball park revenues pledged for the payment and security of the bonds. The pledge is a valid charge on the baseball park revenues from the date when bonds are first issued or secured under the resolution or indenture and secure the payment of principal and interest and redemption premiums when due and the maintenance at all times of a reserve securing the payments. No mortgage or security interest in any tangible real or personal property is granted to the bondholders or the trustee, but they have a valid security interest in all baseball park revenues of the commission as against the claims of all other persons in tort, contract, or otherwise, irrespective of whether the parties have notice of the claims, and without possession or filing as provided in the uniform commercial code or any other law. In the bond

resolution or trust indenture the commission may make any covenants that are determined by the commission to be usual and reasonably necessary for the protection of the bondholders. No pledge, mortgage, covenant, or agreement securing bonds may be impaired, revoked, or amended by law or by action of the commission except in accordance with the terms of the resolution or indenture under which the bonds are issued, until the obligations of the commission under the resolution or indenture are fully discharged.

Subd. 8. [REVENUE ANTICIPATION CERTIFICATES.] In any year, upon final adoption by the commission of an annual budget of the commission, including the baseball park revenues, and in anticipation of the baseball park revenues, but subject to any limitation or prohibition in a bond resolution or indenture, the commission may authorize the issuance, negotiation, and sale, in the form and manner and upon the terms it may determine, of revenue anticipation certificates. The principal amount of the certificates outstanding may at no time exceed 25 percent of the total amount of the revenues anticipated. The certificates must mature not later than three months after the close of the budget year. So much of the anticipated baseball park revenues as may be needed for the payment of the certificates and interest thereon shall be paid into a special debt service fund established for the certificates in the commission's financial records. If for any reason the anticipated revenues are insufficient, the certificates and interest must be paid from the first revenues received, subject to any limitation or prohibition in a bond resolution or indenture. The proceeds of the certificates may be used for any purpose for which the anticipated revenues may be used or for any purpose for which bond proceeds under subdivision 1 may be used.

Subd. 9. [VALIDITY OF DEBT ISSUED.] The validity of any bonds issued under this section and the obligations of the commission related to them must not be conditioned upon or impaired by the commission's determinations made under section 473.5992. For the purposes of issuing bonds, the determinations made by the commission are conclusive, and the commission is obligated for the security and payment of the bonds, but only from the sources pledged thereto, irrespective of determinations that may be erroneous, inaccurate, or otherwise mistaken.

Sec. 19. [473.5994] [PROFIT SHARING.]

Subdivision 1. [DEFINITIONS.] (a) [APPLICATION.] The definitions in this subdivision apply to this section.

(b) [GROSS REVENUES OF THE BASEBALL TEAM.] "Gross revenues of the baseball team" means all revenues of the baseball team from whatever source, including, but not limited to, any revenues as may be negotiated with the commission from baseball park rights, concessions, signage, and revenues from ticket sales, and other revenues including major league profit sharing, royalties, television, radio, and any other receipts or revenues, ordinary or extraordinary, not otherwise provided for in sections 473.5991 to 473.5997.

(c) [NET OPERATING PROFITS.] "Net operating profits" means the gross revenues of the baseball team remaining after its payment of or deduction for its baseball team operating expenses, its baseball park operating expenses, and its funding of the baseball park capital repair and improvement account. Net operating profits must be computed in accordance with generally accepted accounting principles.

Subd. 2. [BASEBALL TEAM OPERATING EXPENSES; LOSS.] The owner shall assume all risk for and timely pay all operating expenses of the baseball team and the baseball park as provided in this act and in agreements authorized by this act. The baseball team shall be organized so that under Minnesota law, the commission is not liable for any operating loss, liability, or obligation of the baseball team, or baseball park. The commission shall have no duty to reimburse the owner or any creditor of the owner, the baseball team, or the baseball park for any operating loss, liability, or obligation of the baseball team or baseball park, and shall be indemnified by the owner against losses or claims.

Sec. 20. [473.5995] [PROFITS UPON SALE OF BASEBALL TEAM.]

(a) The commission and the owner shall enter into an agreement that provides for the sharing of profits upon the sale of the baseball team.



(b) If:

(1) the baseball team is sold, transferred, or assigned sooner than 15 years after the first regular season game played in the baseball park; and

(2) the value of the baseball team has appreciated above \$125,000,000 or the sale price exceeds that amount,

then the commission shall receive a payment reflecting its share that is stated in the agreement upon the closing of such sale, transfer, or assignment.

Sec. 21. [473.5996] [CITY POWERS.]

Notwithstanding any law, charter, or ordinance provision to the contrary, the city may acquire or condemn land, assemble and prepare a site, make infrastructure improvements, or use its resources in other ways it may devise to finance sports facilities and to further the purposes of sections 473.551 to 473.5997.

Sec. 22. [473.5997] [BASEBALL PARK ACCOUNT.]

The baseball park account is established in the special revenue fund in the state treasury. All money credited to the baseball park account is appropriated to the commissioner of revenue for payment to the commission for purposes of the baseball park. The commission shall use all receipts from the baseball park account to administer, operate, and maintain the baseball park and to pay debt service on bonds or other obligations sold for purposes of the baseball park.

Sec. 23. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall change references to Minnesota Statutes, sections 473.551 to 473.599 to read "473.551 to 473.5997."

Sec. 24. [APPLICATION.]

This article applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 25. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

## ARTICLE 2

### BASEBALL STADIUM FUNDING SOURCES

Section 1. Minnesota Statutes 1997 Supplement, section 297A.259, is amended to read:  
297A.259 [LOTTERY TICKETS; IN LIEU TAX.]

Sales of state lottery tickets are exempt from the tax imposed under section 297A.02. The state lottery must on or before the 20th day of each month transmit to the commissioner of revenue an amount equal to the gross receipts from the sale of lottery tickets for the previous month multiplied by the tax rate under section 297A.02, subdivision 1. The gross receipts from the operation of gaming machines operated by the state lottery are exempt from the tax imposed under section 297A.02 and the in lieu tax payment under this section. The resulting payment is in lieu of the sales tax that otherwise would be imposed by this chapter. The commissioner shall deposit the money transmitted as provided by section 297A.44 and the money must be treated as other proceeds of the sales tax. Gross receipts for purposes of this section mean the proceeds of the sale of tickets before deduction of a commission or other compensation paid to the vendor or retailer for selling tickets.

Sec. 2. Minnesota Statutes 1996, section 349A.01, is amended by adding a subdivision to read:

Subd. 14. [GAMING MACHINE.] "Gaming machine" means any machine in which a coin,

token, or currency are deposited in order to play a game that uses a video display and microprocessors or an electromechanical device with a spinning reel.

Sec. 3. Minnesota Statutes 1996, section 349A.01, is amended by adding a subdivision to read:

Subd. 15. [GAMING MACHINE GAME.] "Gaming machine game" means a game operated by a gaming machine as authorized by the director.

Sec. 4. Minnesota Statutes 1996, section 349A.01, is amended by adding a subdivision to read:

Subd. 16. [GAMING MACHINE PLAY.] "Gaming machine play" means an electronic record that proves participation in a gaming machine game.

Sec. 5. Minnesota Statutes 1996, section 349A.01, is amended by adding a subdivision to read:

Subd. 17. [ADJUSTED GROSS GAMING MACHINE REVENUE.] "Adjusted gross gaming machine revenue" means the sum of all money received by the lottery for gaming machine plays, less the amount paid out in prizes for gaming machine games.

Sec. 6. Minnesota Statutes 1996, section 349A.10, subdivision 5, is amended to read:

Subd. 5. [DEPOSIT OF NET PROCEEDS.] (a) Within 30 days after the end of each month, the director shall deposit in the state treasury the net proceeds of the lottery, which is the balance in the lottery fund after transfers to the lottery prize fund and credits to the lottery operations account.

(b) Of the net proceeds, 40 percent must be credited to the Minnesota environment and natural resources trust fund, and.

(c) the remainder must be credited to the special revenue fund created in section 16A.67, subdivision 3. Money credited to the special revenue fund must be transferred to the debt service fund established in section 16A.67, subdivision 4, at the times and in the amounts determined by the commissioner of finance to be necessary to provide for the payment and security of bonds issued pursuant to section 16A.67. On or before the tenth day of each month, any money in the special revenue fund not required to be transferred to the debt service fund or to the baseball stadium account under paragraph (d) must be transferred to the general fund.

(d) Until June 30, 2001, after any necessary amounts have been transferred to the debt service account created in section 16A.67, subdivision 4, the commissioner of finance shall transfer from the special revenue account created in section 16A.67, subdivision 3, to the baseball stadium account created in section 473I.02 the sum of \$5,000,000 in each of the months January to June.

(e) On and after July 1, 2001, the first \$30,000,000 or as much thereof as is necessary to pay debt service on bonds issued under section 473.5993 after receipts from all other funds specifically available for the purpose are used for the purpose in each fiscal year must be credited to the baseball stadium account established in section 473I.02 and the remainder of the \$30,000,000, if any, and all amounts in excess of \$30,000,000 in that fiscal year must be credited to the general fund. This paragraph does not apply to adjusted gross gaming facility revenue as defined in section 5.

Sec. 7. [349A.16] [VENDOR CONTRACTS; GAMING MACHINES.]

Subdivision 1. [PROCUREMENT CONTRACTS.] The director may enter into contracts for the procurement of gaming machines or any other contract necessary for maintaining, advertising, promoting, or monitoring gaming machines. In entering into a contract under this section, the director must comply with the requirements of section 349A.07.

Subd. 2. [LOCATION CONTRACT.] The director may enter into a contract with a person to provide locations for and to provide services related to gaming machines. Contracts entered into under this section are not subject to chapter 16B. The director may only enter a contract under this subdivision with a person that holds a class A license under chapter 240. The gaming machines

may only be placed at the racetrack for which the class A license under chapter 240 was issued. The location provider must use all revenue derived from the location and services contract to develop and maintain the economic health of the state's horse racing industry by:

- (1) providing attractive purses and sufficient racing opportunities;
- (2) maintaining the financial well-being of the racing association; and
- (3) providing a high quality product desirable to racing fans and to offset expenses created by providing space and services pursuant to this subdivision.

Subd. 3. [CONFLICT OF INTEREST.] The director or any employee of the lottery, or a member of their immediate family residing in the same household, may not have any personal pecuniary interest in any vendor holding a contract with the lottery under this section.

Sec. 8. [349A.17] [GAMING MACHINES.]

Subdivision 1. [SPECIFICATIONS.] Gaming machines must:

- (1) maintain on nonresettable meters a permanent record, capable of being printed out, of all transactions by the machine and all entries into the machine; and
- (2) be capable of being linked electronically to a central communication system to provide auditing program information as required by the director.

Subd. 2. [GAMES.] The director shall specify the games that may be played on a gaming machine as set forth under section 349A.04. Gaming machines may conduct pari-mutuel wagering and display horse races pursuant to specifications set forth by the director.

Subd. 3. [EXAMINATION OF MACHINES.] The director shall examine prototypes of gaming machines and require that the manufacturer of the machine pay the cost of the examination. The director may contract for the examination of gaming machines.

Subd. 4. [TESTING OF MACHINES.] The director may require working models of a gaming machine transported to the locations the director designates for testing, examination, and analysis. The manufacturer shall pay all costs of any testing, examination, analysis, and transportation of the machine model.

Subd. 5. [PRIZES.] A person who plays a gaming machine agrees to be bound by the rules and game procedures applicable to that particular gaming machine game. The player acknowledges that the determination of whether the player has won a prize is subject to the rules and game procedures adopted by the director, claim procedures established by the director for the game, and any confidential or public validation tests established by the director for that game. A person under 18 years of age may not claim a prize from the operation of a gaming machine. A prize claimed from the play of a gaming machine game is not subject to the provisions of section 349A.08, subdivision 8.

Subd. 6. [PROHIBITIONS.] (a) A person under the age of 18 years may not play a game on a gaming machine and the lottery may not allow a person under the age of 18 years to play a game on a gaming machine.

(b) The director or any employee of the lottery, or a member of their immediate family residing in the same household, may not play a game on a gaming machine or receive a prize from the operation of a gaming machine.

Subd. 7. [COMPULSIVE GAMBLING NOTICE.] The director shall prominently post in the area where the gaming machines are located the toll-free number established by the commissioner of human services in connection with the compulsive gambling program established under section 245.98. The director and the location provider shall establish a proactive plan to identify problem gamblers and take appropriate action.

Sec. 9. [349A.18] [ADJUSTED GROSS GAMING MACHINE REVENUE.]

Subdivision 1. [DEPOSIT OF RECEIPTS.] The director shall deposit the adjusted gross machine revenue into the lottery fund.

Subd. 2. [LOTTERY OPERATIONS.] Notwithstanding section 349A.10, subdivision 3, paragraphs (b) and (c), the director may credit, in any fiscal year, up to 50 percent of the adjusted gross gaming machine revenue to the lottery operations account established under section 349A.10, subdivision 3, for the operation, promotion, advertising, maintenance, and placement of gaming machines. Promotion and advertisement of gaming machines authorized under this section are not subject to the provisions of section 349A.10, subdivision 3, paragraph (c). Notwithstanding the provisions of this subdivision, the director may create a net operation reserve and deposit funds as necessary to meet the operating expenses of the lottery provided that the amount credited in any fiscal year into the net operating reserve account may not exceed five percent of the adjusted gross revenue and that no more than 50 percent of the adjusted gross revenue is credited to the lottery operations account and the net operating reserve account in any one fiscal year.

Subd. 3. [RACING PURSES.] Of the amounts provided in subdivision 2, six percent of the adjusted gross gaming machine revenues must be set aside and used for purses for live races conducted by the racetrack holding a class A license under chapter 240.

Subd. 4. [INDIAN BENEFIT GRANTS.] The commissioner of administration shall receive one percent of adjusted gross gaming machine revenue to be administered in grants to nonreservation Indian projects which encourage the economic and social well-being of Indians residing in Minnesota who are not living on reservations or receiving proceeds from tribal gambling operations.

Sec. 10. [349A.19] [LOCAL LICENSES.]

No political subdivision may require a local license to operate a gaming machine, restrict or regulate the placement of a gaming machine, or impose a tax or fee on the business of operating gaming machines.

Sec. 11. [349A.20] [CRIMINAL HISTORY.]

The director has access to all criminal history data compiled by the director of gambling enforcement on any person under contract with the lottery to provide goods or services under section 349A.16.

Sec. 12. [349A.21] [GAMING MACHINES.]

Notwithstanding section 349A.13, clause (2), the director may install and operate a gaming machine operated by coin or currency that when operated determines the winner of a game under sections 349A.16 to 349A.18. Section 340A.410 does not prohibit the placement, operation, or possession of a gaming machine under this chapter.

Sec. 13. [349A.22] [EMPLOYEES; GAMING MACHINES.]

The director may appoint personnel as necessary to operate gaming machines and to provide support for the conduct of gaming machine games, except that all employees appointed under this section are in the unclassified service. Section 349A.02, subdivision 6, applies to all employees hired under this section.

Sec. 14. [349A.31] [BASEBALL LOTTERY GAMES.]

The lottery shall conduct instant lottery games each year with a baseball theme.

Sec. 15. Minnesota Statutes 1996, section 609.761, subdivision 2, is amended to read:

Subd. 2. [STATE LOTTERY.] Sections 609.755 and 609.76 do not prohibit the operation of the state lottery or the sale, possession, or purchase of tickets for the state lottery under chapter 349A, or the manufacture, possession, sale, or operation of a gaming machine under chapter 349A.

Sec. 16. [EFFECTIVE DATE.]

This article is effective the day following final enactment."

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 15 and nays 50, as follows:

Those who voted in the affirmative were:

Belanger	Dille	Knutson	Larson	Oliver
Berg	Flynn	Laidig	Metzen	Stevens
Day	Johnson, D.H.	Langseth	Novak	Terwilliger

Those who voted in the negative were:

Anderson	Hottinger	Lesewski	Pappas	Samuelson
Beckman	Janezich	Limmer	Pariseau	Scheevel
Berglin	Johnson, D.E.	Lourey	Piper	Scheid
Betzold	Johnson, D.J.	Marty	Pogemiller	Solon
Cohen	Johnson, J.B.	Moe, R.D.	Price	Spear
Fischbach	Junge	Morse	Ranum	Stumpf
Foley	Kelley, S.P.	Murphy	Robertson	Ten Eyck
Frederickson	Kelly, R.C.	Neuville	Robling	Vickerman
Hanson	Kleis	Olson	Runbeck	Wiener
Higgins	Krentz	Ourada	Sams	Wiger

The motion did not prevail. So the amendment was not adopted.

Mr. Terwilliger moved to amend S.F. No. 2 as follows:

Delete everything after the enacting clause and insert:

"Section 1. [DEFINITIONS.]

The definitions in Minnesota Statutes, section 473.551, apply to the terms used in sections 2 to 6.

Sec. 2. [SALE OF MET CENTER; DEFEASANCE OF METRODOME BONDS.]

Subdivision 1. [SALE.] The metropolitan sports facilities commission shall sell the met center within a reasonable time.

Subd. 2. [SALE TO METROPOLITAN COUNCIL.] If the commission has not sold the met center by December 31, 1997, the commission shall sell it to the metropolitan council. The council shall pay a price reached by averaging the appraised fair market values provided by three appraisers. One appraiser must be hired by the commission, one by the metropolitan council, and the third by agreement of the commission and the council.

Subd. 3. [BONDS.] The metropolitan council may borrow money or by resolution authorize the issuance of general obligation bonds or notes for the acquisition of the met center. The bonds or notes must be sold, issued, and secured in the manner provided in Minnesota Statutes, chapter 475, and the council has the same powers and duties as a municipality issuing bonds under that chapter, except that no election is required and the net debt limitations in Minnesota Statutes, chapter 475, do not apply to the bonds or notes. The obligations are not a debt of the state or any other municipality or political subdivision within the meaning of any debt limitation or requirement pertaining to those entities. The bonds or notes may be sold at any price and at a public or private sale as determined by the council. The obligations may be secured by taxes levied without limitation of rate or amount upon all taxable property in the metropolitan area.

Subd. 4. [DEFEASANCE OF METRODOME BONDS.] Upon the sale of the met center, the commission shall escrow money or securities sufficient to defease the outstanding debt on the metrodome.

Sec. 3. [LEASE OF METRODOME.]

Upon defeasance of the bonded debt incurred to finance the metrodome, the metropolitan sports facilities commission shall lease the metrodome to the Twins and Vikings for \$1 per year. Upon execution of the lease, the Twins and the Vikings are jointly responsible for all costs of operation and maintenance of the metrodome.

Sec. 4. [PURCHASE OF MINNESOTA TWINS.]

The governor acting as a corporation sole, with the approval of a majority of the full executive council, after consulting with the legislative advisory commission as provided in Minnesota Statutes, section 3.30, may purchase the Minnesota Twins on behalf of the state. The purchase shall be contingent on the state making an agreement by January 20, 1998, with a third-party management group to operate the Twins until the Twins are sold to a private business corporation formed for the purpose, among others, of having a public offering of Twins' stock to Minnesota residents of an interest at least substantial enough in terms of voting percentage to prevent the Twins from leaving the state of Minnesota if those acquiring stock through the public offering vote as a block. The amount necessary up to \$86,000,000 to acquire the Twins under this section is appropriated to the governor from the general fund.

Sec. 5. [RESALE TO MINNESOTA BUSINESS CORPORATION; CONDITIONS.]

If a corporation formed under the Minnesota Business Corporation Act, Minnesota Statutes, chapter 302A, as described in section 4, having satisfied a majority of the executive council as to its good faith and financial viability, offers to purchase the Twins subject to the conditions in sections 4 to 6, the governor may sell the Twins to the corporation for not less than the state's purchase price.

Sec. 6. [PROVISIONS REQUIRED IN ARTICLES OF INCORPORATION.]

(a) A corporation seeking to acquire the Twins must have in its articles of incorporation the following provisions:

(1) the corporation must have a board of directors of no more than 30 members. The governor must have the authority to appoint ten percent of the membership of the board of directors on behalf of the state, but not less than one member. A management group must be sought to purchase a 25 percent stock interest in the team. In consideration for purchasing the 25 percent interest in the company, the management group is entitled to 50 percent of the board members. The remaining 40 percent of board members must be elected by the other shareholders;

(2) there can be no sale of the Twins franchise or assets without approval of 75 percent of the shareholders. In addition, even after shareholder approval, the state must have a transferable first right of refusal to match any purchase offer for the Twins;

(3) no shareholder, other than the management group, may own more than one percent of the outstanding shares of stock;

(4) all shareholders must be Minnesota citizens, corporations owned solely by Minnesota residents, or state or local governments;

(5) there will be only two classes of common stock, with one class being owned by the management group, and one class being owned by other shareholders, provided that both classes will be voting stock;

(6) the corporation would be prohibited from long-term borrowing, except:

(i) to build a new baseball stadium and other capital improvements; or

(ii) upon approval by a majority of shareholders;

(7) articles of incorporation cannot be amended without approval of two-thirds of the shareholders;

(8) the corporation is authorized to issue up to 10,000,000 shares of stock. Two million shares

will be issued initially. Twenty five percent of the issued shares shall be sold to a single management group for the state's original cost to acquire the Twins. The management group must pledge to maintain 25 percent of all shares whenever issued. The remaining 75 percent of the initial issuance of shares shall be sold by public offering. The public stock offering must seek to raise additional capital of at least \$300,000,000;

(9) shareholders may have priority over nonshareholders for purchasing season tickets; and

(10) the corporation must use some or all of its money raised in its initial offering to build a major league baseball park that may include a retractable roof in the metropolitan area for use no later than the first game of the season in 2003.

Sec. 7. [EFFECTIVE DATE; CONTINGENCY.]

Sections 4 to 6 are effective the day after final enactment. If the conditions necessary to implement the sale of the Twins to the state and the resale to a corporation described in this act do not exist before April 1, 1998, such that the initial stock offering to the general public can begin before July 1, 1998, sections 4 to 6, expire."

Amend the title accordingly

Ms. Berglin moved to amend the Terwilliger amendment to S.F. No. 2 as follows:

Pages 1 and 2, delete sections 2 and 3

Re-number the sections in sequence and correct the internal references

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Neuville moved to amend the Terwilliger amendment to S.F. No. 2 as follows:

Page 2, line 14, after "to" insert "own and" and delete "until the"

Page 2, line 15, delete "Twins are sold to" and insert "as"

Page 3, line 3, delete "A" and insert "The"

Page 3, line 4, delete "be sought to"

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Terwilliger amendment, as amended.

The roll was called, and there were yeas 31 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Foley	Kelley, S.P.	Murphy	Terwilliger
Belanger	Frederickson	Laidig	Neuville	Vickerman
Berglin	Higgins	Langseth	Ourada	Wiener
Betzold	Hottinger	Larson	Pogemiller	
Cohen	Janezich	Lesewski	Scheid	
Dille	Johnson, D.E.	Metzen	Solon	
Flynn	Johnson, D.H.	Moe, R.D.	Stumpf	

Those who voted in the negative were:

Berg	Kelly, R.C.	Morse	Ranum	Spear
Day	Kleis	Oliver	Robertson	Stevens
Fischbach	Knutson	Olson	Robling	Ten Eyck
Hanson	Krentz	Pappas	Runbeck	Wiger
Johnson, D.J.	Limmer	Pariseau	Sams	
Johnson, J.B.	Lourey	Piper	Samuelson	
Junge	Marty	Price	Scheevel	

The motion did not prevail. So the Terwilliger amendment, as amended, was not adopted.

Mr. Janezich moved that S.F. No. 2 be laid on the table. The motion prevailed.

### MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D., with the concurrence of the first authors, moved that S.F. Nos. 8, 12 and 18 be withdrawn from the Committee on Rules and Administration, given a second reading and placed on General Orders. The motion prevailed.

S.F. Nos. 8, 12 and 18 were read the second time.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 18 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 18:** A bill for an act relating to human services; modifying the calculation of food stamp benefits for certain noncitizen families; amending Laws 1997, chapter 85, article 1, section 7, subdivision 2, as amended; repealing Minnesota Statutes 1997 Supplement, section 256D.057.

### SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 18 and that the rules of the Senate be so far suspended as to give S.F. No. 18 its third reading and place it on its final passage. The motion prevailed.

S.F. No. 18 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Belanger	Hottinger	Langseth	Ourada	Solon
Berg	Janezich	Larson	Pappas	Spear
Berglin	Johnson, D.E.	Lesewski	Pariseau	Stevens
Betzold	Johnson, D.H.	Limmer	Piper	Stumpf
Cohen	Johnson, D.J.	Lourey	Pogemiller	Ten Eyck
Day	Johnson, J.B.	Marty	Price	Terwilliger
Dille	Junge	Metzen	Ranum	Vickerman
Fischbach	Kelley, S.P.	Moe, R.D.	Robertson	Wiener
Flynn	Kelly, R.C.	Morse	Robling	Wiger
Foley	Kleis	Murphy	Runbeck	
Frederickson	Knutson	Neuville	Sams	
Hanson	Krentz	Oliver	Samuelson	
Higgins	Laidig	Olson	Scheid	

So the bill passed and its title was agreed to.

### SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 8 and that the rules of the Senate be so far suspended as to give S.F. No. 8, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

**S.F. No. 8:** A bill for an act relating to education; expanding health and safety revenue for indoor air quality projects; expanding the state aid portion of the alternative facilities program;



authorizing additional school days and funding for students formerly attending the Crooked Lake elementary school; appropriating money; amending Minnesota Statutes 1997 Supplement, section 124.239, subdivisions 5a and 5b; and Laws 1997, chapter 231, article 1, section 20.

Mr. Foley moved to amend S.F. No. 8 as follows:

Delete everything after the enacting clause and insert:

"Section 1. [CROOKED LAKE ELEMENTARY SCHOOL; APPROPRIATION.]

(a) \$500,000 is appropriated from the general fund in fiscal year 1998 to the department of children, families, and learning for a grant to independent school district No. 11, Anoka, for unreimbursed expenses associated with the indoor air quality problems at the Crooked Lake elementary school.

(b) Of the amount in paragraph (a), up to \$250,000 is for renovation and remodeling costs related to the indoor air quality problems. This amount is only for unreimbursed costs that are not otherwise recovered from insurance proceeds or other funds.

(c) Of the amount in paragraph (a), up to \$250,000 is for the expense of leasing facilities space and transportation costs for the children who are displaced from the Crooked Lake elementary school.

(d) The appropriation in this section is not subject to the review provisions of Minnesota Statutes, section 16B.335, subdivision 1.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to education; appropriating money for the repair and renovation of the Crooked Lake elementary school."

The motion prevailed. So the amendment was adopted.

S.F. No. 8 was read the third time.

Mr. Scheevel moved that S.F. No. 8 be laid on the table.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 23 and nays 38, as follows:

Those who voted in the affirmative were:

Belanger	Frederickson	Larson	Olson	Scheevel
Berg	Johnson, D.E.	Lesewski	Ourada	Stevens
Day	Kleis	Limmer	Pariseau	Terwilliger
Dille	Knutson	Neuville	Robling	
Fischbach	Laidig	Oliver	Runbeck	

Those who voted in the negative were:

Anderson	Hottinger	Krentz	Piper	Spear
Berglin	Janezich	Lourey	Pogemiller	Stumpf
Betzold	Johnson, D.H.	Marty	Price	Ten Eyck
Cohen	Johnson, D.J.	Metzen	Ranum	Vickerman
Flynn	Johnson, J.B.	Moe, R.D.	Sams	Wiener
Foley	Junge	Morse	Samuelson	Wiger
Hanson	Kelley, S.P.	Murphy	Scheid	
Higgins	Kelly, R.C.	Pappas	Solon	

The motion did not prevail.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 6, as follows:

Those who voted in the affirmative were:

Berglin	Johnson, D.E.	Lesewski	Ourada	Solon
Betzold	Johnson, D.H.	Limmer	Pappas	Spear
Cohen	Johnson, D.J.	Lourey	Pariseau	Stumpf
Day	Johnson, J.B.	Marty	Piper	Ten Eyck
Fischbach	Junge	Metzen	Pogemiller	Terwilliger
Flynn	Kelley, S.P.	Moe, R.D.	Price	Vickerman
Foley	Kelly, R.C.	Morse	Ranum	Wiener
Frederickson	Kleis	Murphy	Robling	Wiger
Hanson	Knutson	Neuville	Runbeck	
Higgins	Krentz	Novak	Sams	
Hottinger	Laidig	Oliver	Samuelson	
Janezich	Langseth	Olson	Scheid	

Those who voted in the negative were:

Belanger	Dille	Robertson	Scheevel	Stevens
Berg				

So the bill, as amended, was passed and its title was agreed to.

### SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 12 and that the rules of the Senate be so far suspended as to give S.F. No. 12, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

**S.F. No. 12:** A bill for an act relating to legislative enactments; providing for the correction of miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors of a noncontroversial nature; amending Minnesota Statutes 1996, section 256B.0627, subdivision 1; Minnesota Statutes 1997 Supplement, sections 80A.04, subdivision 5; 115.55, subdivision 6; 144D.01, subdivision 4; 245B.07, subdivisions 5 and 9; 403.02, subdivision 2; 524.3-1201; and 626.556, subdivision 10f; Laws 1997, chapter 143, section 21; chapter 200, article 1, section 1; chapter 200, article 1, section 5, subdivision 1; chapter 200, section 5, subdivision 4, as amended; chapter 203, article 3, section 18; chapter 203, article 3, section 19; chapter 231, article 1, section 16, as amended; and chapter 250, section 18; Laws 1997, First Special Session chapter 4, article 1, section 64.

Mr. Knutson moved to amend S.F. No. 12 as follows:

Page 19, after line 61, insert:

"Sec. 20. [CORRECTION 301.] Minnesota Statutes 1997 Supplement, section 256I.05, subdivision 1d, is amended to read:

Subd. 1d. [SUPPLEMENTARY SERVICE RATES FOR CERTAIN FACILITIES SERVING PERSONS WITH MENTAL ILLNESS OR CHEMICAL DEPENDENCY.] Notwithstanding the provisions of subdivisions 1a and 1c for the fiscal year ending June 30, 1998, a county agency may negotiate a supplementary service rate in addition to the board and lodging rate for facilities licensed and registered by the Minnesota department of health under section 157.17 prior to December 31, 1994 1996, if the facility meets the following criteria:

(1) at least 75 percent of the residents have a primary diagnosis of mental illness, chemical dependency, or both, and have related special needs;

(2) the facility provides 24-hour, on-site, year-round supportive services by qualified staff capable of intervention in a crisis of persons with late-state inebriety or mental illness who are vulnerable to abuse or neglect;

- (3) the services at the facility include, but are not limited to:
  - (i) secure central storage of medication;
  - (ii) reminders and monitoring of medication for self-administration;
  - (iii) support for developing an individual medical and social service plan, updating the plan, and monitoring compliance with the plan; and
  - (iv) assistance with setting up meetings, appointments, and transportation to access medical, chemical health, and mental health service providers;
- (4) each resident has a documented need for at least one of the services provided;
- (5) each resident has been offered an opportunity to apply for admission to a licensed residential treatment program for mental illness, chemical dependency, or both, have refused that offer, and the offer and their refusal has been documented to writing; and
- (6) the residents are not eligible for home and community-based services waivers because of their unique need for community support.

The total supplementary service rate must not exceed \$575.

Sec. 21. [CORRECTION 303.] Laws 1997, chapter 200, article 1, section 5, subdivision 4, is amended to read:

Subd. 4. Workforce Preparation

16,922,000	9,079,000	
	Summary by Fund	
General	16,147,000	8,304,000
Special Revenue	775,000	775,000

\$775,000 the first year and \$775,000 the second year is for job training programs under Minnesota Statutes, sections 268.60 to 268.64. Notwithstanding Minnesota Statutes, section 268.022, this appropriation is from the workforce investment fund. Of this amount, \$250,000 each year is for grants to the Ramsey county opportunities industrialization center. The grants are to be used to (1) offer prevocational training programs and specific vocational training programs involving intensive English as a second language in instruction, and (2) train for and locate entry level jobs including, without limitation, clerical, building maintenance, manufacturing, home maintenance and repair, and certified nursing assistance.

\$1,815,000 the first year and \$1,817,000 the second year is for displaced homemaker programs under Minnesota Statutes, section 268.96.

\$1,050,000 the first year and \$1,050,000 the second year is for youth intervention programs under Minnesota Statutes, section 268.30. Funding from this appropriation may be used to

expand existing programs to serve unmet needs and to create new programs in underserved areas. This appropriation is available until spent.

\$1,500,000 the first year and \$1,500,000 the second year is to supplement the activities of the Job Training Partnership Act Title II-A program as described in United States Code, title 29, sections 1501 to 1792. The commissioner may use up to five percent of this amount of state operations. The balance of the amount is for services to temporary assistance for needy families (TANF) recipients. This is a one-time appropriation and may not be included in the budget base for the biennium ending June 30, 2001.

\$75,000 the first year is for the PLATO education partnership pilot program. If the commissioner favorably evaluates the demonstration implementation of PLATO in Fairmont and Owatonna, the commissioner shall select two other communities in which PLATO will be implemented. Of this amount, not more than \$10 is for the demonstration implementations. This appropriation is available until June 30, 1999. This is a one-time appropriation and may not be included in the agency's budget base for the biennium ending June 30, 2001.

\$250,000 the first year and \$250,000 the second year is for the learn to earn summer youth employment program established under Laws 1995, chapter 224, sections 5 and 39. This appropriation is available until spent.

\$10,000 the first year and \$10,000 the second year are for one-time grants to independent school district No. 2752, Fairmont, for community initiatives.

Of the money appropriated for the summer youth program for the first year, \$750,000 is immediately available. Any remaining balance of the immediately available money is available for the year in which it is appropriated. In addition to the base appropriation, \$6,000,000 the first year is for the summer youth program. If the appropriation in either year is insufficient, the appropriation for the other year is available.

\$700,000 the first year and \$700,000 the second year is for the Youthbuild program under Minnesota Statutes, sections 268.361 to 268.366. A Minnesota YOUTHBUILD program funded under this section as authorized in Minnesota

Statutes, sections 268.361 to 268.367, qualifies as an approved training program under Minnesota Rules, part 5200.0930, subpart 1.

\$250,000 the first year is for a one-time grant to the displaced homemaker program in the department of economic security and \$125,000 the first year and \$125,000 the second year are for one-time grants to the St. Paul district 5 planning council. These grants are to operate a community work empowerment support group demonstration project. A project consists of empowerment groups of individuals that are in the process of obtaining or have obtained jobs, including those in the welfare-to-work programs, or are working out problems of attaining self-sufficiency. The groups must separately meet at least monthly for at least two hours. Each group meeting must include empower mentors whose responsibility will be to conduct the meeting. Group members must be paid at least \$20 for each meeting attended. The sites will report to the commissioner on a semiannual basis regarding the progress achieved at the meetings. The purpose of the group is to:

- (1) share information among group members as to the successes and problems encountered in the individual's employment goals;
- (2) provide a forum for individuals involved in moving to self-sufficiency to share their experiences and strategies and to support and empower each other; and
- (3) to provide feedback to the commissioner concerning the best strategies to achieve the empowerment support group's objectives.

Notwithstanding Minnesota Statutes, section 268.022, subdivision 2, the commissioner of finance shall transfer to the general fund from the dedicated fund \$3,500,000 in the first year and \$3,500,000 in the second year of the money collected through the special assessment established in Minnesota Statutes, section 268.022, subdivision 1.

\$30,000 the first year is for a grant to the city of Champlin for creating and expanding curfew enforcement. The program must have clearly established neighborhood, community, and family measures of success and must report to the commissioner of economic security on the achievement of these outcomes on or before June 30, 1998.

\$250,000 the first year is for a one-time grant to

Ramsey county to expand the sister-to-sister mentoring, support, and training network program countywide. This appropriation is in addition to money appropriated under Minnesota Statutes, sections 256J.62 and 256J.76. This appropriation is available until June 30, 1999.

\$500,000 is for a grant to the center for victims of torture to design and develop training to educate health care and human service workers on levels of sensitive care and how to make referrals and to establish a network of care providers to do pro bono care for torture survivors so as to enable a rapid integration into communities and labor markets by torture victims. This is a one-time appropriation requiring a one-to-one nonstate, in-kind match, and is available until expended.

Sec. 22. [CORRECTION 304.] Minnesota Statutes 1997 Supplement, section 119B.05, subdivision 7, is amended to read:

Subd. 7. [CHILD CARE ASSISTANCE DIVERSION.] A one-year program is established to provide assistance to participants under the ~~working family assistance~~ MFIP-S program established in chapter 256J who are participating in an authorized activity under section 256J.03, ~~subdivision 4~~ 256J.49, subdivision 5, or 256J.52, subdivision 5, and who are eligible for child care assistance according to chapter 119B as a reimbursement for expenses related to the costs of education, training, or transportation when all of the following conditions exist:

- (1) child care needs during participation in the authorized activity are being met by a legal child care provider as defined in section 119B.01, subdivision 13;
- (2) the participant cannot reasonably arrange for the education, training, or transportation costs to be met through alternate arrangements;
- (3) the child care arrangement provides a transition to a stable child care and employment arrangement and does not disrupt the continuity of care for children; and
- (4) the arrangement does not exceed two months.

The commissioner shall select one county in the seven-county metropolitan area to participate in the program. Assistance must be available only to residents of the selected county. Assistance granted under this subdivision must not exceed 1/12 of the average annual cost of care as established for the administering county in the previous state fiscal year for each authorized month. Assistance under this subdivision is available to a recipient on a one-time basis.

Sec. 23. [CORRECTION 305.] Minnesota Statutes 1996, section 297A.135, is amended to read:

297A.135 [RENTAL MOTOR VEHICLE TAX.]

Subdivision 1. [TAX IMPOSED.] A tax is imposed on the lease or rental in this state for not more than 28 days of a passenger automobile as defined in section 168.011, subdivision 7, a van as defined in section 168.011, subdivision 28, or a pickup truck as defined in section 168.011, subdivision 29. ~~A van designed or adapted primarily for transporting property rather than passengers is exempt from the tax imposed under this section.~~ The tax is imposed at the rate of 6.2 percent of the sales price as defined for the purpose of imposing the sales and use tax in this chapter. ~~The tax does not apply to the lease or rental of a hearse or limousine used in connection with a burial or funeral service.~~ It applies whether or not the vehicle is licensed in the state.

Subd. 1a. [FEE IMPOSED.] A fee equal to three percent of the sales price is imposed on leases or rentals of vehicles subject to the tax under subdivision 1. The lessor on the invoice to the customer may designate the fee as "a fee imposed by the State of Minnesota for the registration of rental cars."

Subd. 2. [SALES AND USE TAX.] The tax imposed in subdivision 1 ~~is~~ and the fee imposed in subdivision 1a are not included in the sales price for purposes of determining the sales and use tax imposed in this chapter or any sales and use tax imposed on the transaction under a special law.

Subd. 3. [ADMINISTRATION.] The tax imposed in subdivision 1 must be reported and paid to the commissioner of revenue with the taxes imposed in this chapter. ~~It is~~ The tax imposed in subdivision 1 and the fee imposed in subdivision 1a are subject to the same interest, penalty, and other provisions provided for sales and use taxes under chapter 289A and this chapter. The commissioner has the same powers to assess and collect the tax and fee that are given the commissioner in chapters 270 and 289A and this chapter to assess and collect sales and use tax.

Subd. 4. [EXEMPTION.] The tax and the fee imposed by this section ~~does~~ do not apply to a lease or rental ~~if the~~ of (1) a vehicle is to be used by the lessee to provide a licensed taxi service; (2) a hearse or limousine used in connection with a burial or funeral service; or (3) a van designed or adapted primarily for transporting property rather than passengers.

Subd. 5. [PAYMENT OF EXCESS FEES.] On the first sales tax return due following the end of a calendar year during which a lessor has imposed a fee under subdivision 1a, the lessor shall report to the commissioner of revenue, in the form required by the commissioner, the amount of the fee collected and the amount of motor vehicle registration taxes paid under chapter 168. If the amount of the fee collected during the previous year exceeds the amount of motor vehicle registration taxes paid under chapter 168 during the previous year, the lessor shall remit the excess to the commissioner of revenue at the time the report is submitted.

Sec. 24. [CORRECTION 305A.] Minnesota Statutes 1997 Supplement, section 297A.44, subdivision 1, is amended to read:

Subdivision 1. (a) Except as provided in paragraphs (b) ~~and (e)~~ to (d), all revenues, including interest and penalties, derived from the excise and use taxes imposed by sections 297A.01 to 297A.44 shall be deposited by the commissioner in the state treasury and credited to the general fund.

(b) All excise and use taxes derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project, from and after the date on which a conditional commitment for a loan guaranty for the project is made pursuant to section 41A.04, subdivision 3, shall be deposited in the Minnesota agricultural and economic account in the special revenue fund. The commissioner of finance shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account shall be reduced by any refunds and by the costs incurred by the department of revenue to administer and enforce the assessment and collection of the taxes.

(c) All revenues, including interest and penalties, derived from the excise and use taxes imposed on sales and purchases included in section 297A.01, subdivision 3, paragraphs (d) and (k), clauses (1) and (2), must be deposited by the commissioner in the state treasury, and credited as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance must be credited to the general fund.

(d) The revenues, including interest and penalties, collected under section 297A.135, subdivision 5, shall be deposited by the commissioner in the state treasury and credited to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.135, subdivision 5, for the previous calendar year.

Sec. 25. [CORRECTION 305B.] [REPEALER.]

Minnesota Statutes 1997 Supplement, section 168.019, is repealed.

Sec. 26. [CORRECTION 305C.] [EFFECTIVE DATE.]

Sections 23 to 25 are effective for leases or rentals occurring on or after August 1, 1997.

Sec. 27. [CORRECTION 307.] Subdivision 1. Minnesota Statutes 1996, section 124.91, subdivision 7, is amended to read:

Subd. 7. [LEASE PURCHASE, INSTALLMENT BUYS.] (a) Upon application to, and approval by, the commissioner in accordance with the procedures and limits in subdivision 1, paragraphs (a) and (b), a district, as defined in this subdivision, may:

(1) purchase real or personal property under an installment contract or may lease real or personal property with an option to purchase under a lease purchase agreement, by which installment contract or lease purchase agreement title is kept by the seller or vendor or assigned to a third party as security for the purchase price, including interest, if any; and

(2) annually levy the amounts necessary to pay the district's obligations under the installment contract or lease purchase agreement.

(b) The obligation created by the installment contract or the lease purchase agreement must not be included in the calculation of net debt for purposes of section 475.53, and does not constitute debt under other law. An election is not required in connection with the execution of the installment contract or the lease purchase agreement.

(c) The proceeds of the levy authorized by this subdivision must not be used to acquire a facility to be primarily used for athletic or school administration purposes.

(d) For the purposes of this subdivision, "district" means:

(1) a school district required to have a comprehensive plan for the elimination of segregation whose plan has been determined by the commissioner to be in compliance with the state board of education rules relating to equality of educational opportunity and school desegregation; or

(2) a school district that participates in a joint program for interdistrict desegregation with a district defined in clause (1) if the facility acquired under this subdivision is to be primarily used for the joint program.

(e) Notwithstanding subdivision 1, the prohibition against a levy by a district to lease or rent a district-owned building to itself does not apply to levies otherwise authorized by this subdivision.

(f) For the purposes of this subdivision, any references in subdivision 1 to building or land shall include personal property.

Subd. 2. [EFFECTIVE DATE.] This section is effective retroactively from July 1, 1997.

Sec. 28. [CORRECTION 308.] Subdivision 1. Minnesota Statutes 1997 Supplement, section 273.13, subdivision 25, is amended to read:

Subd. 25. [CLASS 4.] (a) Class 4a is residential real estate containing four or more units and used or held for use by the owner or by the tenants or lessees of the owner as a residence for rental periods of 30 days or more. Class 4a also includes hospitals licensed under sections 144.50 to 144.56, other than hospitals exempt under section 272.02, and contiguous property used for hospital purposes, without regard to whether the property has been platted or subdivided. Class 4a property in a city with a population of 5,000 or less, that is (1) located outside of the metropolitan area, as defined in section 473.121, subdivision 2, or outside any county contiguous to the metropolitan area, and (2) whose city boundary is at least 15 miles from the boundary of any city with a population greater than 5,000 has a class rate of 2.3 percent of market value. All other class 4a property has a class rate of 2.9 percent of market value. For purposes of this paragraph, population has the same meaning given in section 477A.011, subdivision 3.



(b) Class 4b includes:

(1) residential real estate containing less than four units that does not qualify as class 4bb, other than seasonal residential, and recreational;

(2) manufactured homes not classified under any other provision;

(3) a dwelling, garage, and surrounding one acre of property on a nonhomestead farm classified under subdivision 23, paragraph (b) containing two or three units;

(4) unimproved property that is classified residential as determined under section 273.13, subdivision 33.

Class 4b property has a class rate of 2.1 percent of market value.

(c) Class 4bb includes:

(1) nonhomestead residential real estate containing one unit, other than seasonal residential, and recreational; and

(2) a single family dwelling, garage, and surrounding one acre of property on a nonhomestead farm classified under subdivision 23, paragraph (b).

Class 4bb has a class rate of 1.9 percent on the first \$75,000 of market value and a class rate of 2.1 percent of its market value that exceeds \$75,000.

Property that has been classified as seasonal recreational residential property at any time during which it has been owned by the current owner or spouse of the current owner does not qualify for class 4bb.

(d) Class 4c property includes:

(1) except as provided in subdivision 22, paragraph (c), real property devoted to temporary and seasonal residential occupancy for recreation purposes, including real property devoted to temporary and seasonal residential occupancy for recreation purposes and not devoted to commercial purposes for more than 250 days in the year preceding the year of assessment. For purposes of this clause, property is devoted to a commercial purpose on a specific day if any portion of the property is used for residential occupancy, and a fee is charged for residential occupancy. In order for a property to be classified as class 4c, seasonal recreational residential for commercial purposes, at least 40 percent of the annual gross lodging receipts related to the property must be from business conducted between Memorial Day weekend and Labor Day weekend and at least 60 percent of all bookings by lodging guests during the year must be for periods of at least two consecutive nights. Class 4c also includes commercial use real property used exclusively for recreational purposes in conjunction with class 4c property devoted to temporary and seasonal residential occupancy for recreational purposes, up to a total of two acres, provided the property is not devoted to commercial recreational use for more than 250 days in the year preceding the year of assessment and is located within two miles of the class 4c property with which it is used. Class 4c property classified in this clause also includes the remainder of class 1c resorts. Owners of real property devoted to temporary and seasonal residential occupancy for recreation purposes and all or a portion of which was devoted to commercial purposes for not more than 250 days in the year preceding the year of assessment desiring classification as class 1c or 4c, must submit a declaration to the assessor designating the cabins or units occupied for 250 days or less in the year preceding the year of assessment by January 15 of the assessment year. Those cabins or units and a proportionate share of the land on which they are located will be designated class 1c or 4c as otherwise provided. The remainder of the cabins or units and a proportionate share of the land on which they are located will be designated as class 3a. The owner of property desiring designation as class 1c or 4c property must provide guest registers or other records demonstrating that the units for which class 1c or 4c designation is sought were not occupied for more than 250 days in the year preceding the assessment if so requested. The portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, and (4) other nonresidential facility operated on a commercial basis not directly related to temporary and seasonal residential occupancy for recreation purposes shall not qualify for class 1c or 4c;

(2) qualified property used as a golf course if:

(i) any portion of the property is located within a county that has a population of less than 50,000, or within a county containing a golf course owned by a municipality ~~or~~, the county, or a special taxing district;

(ii) it is open to the public on a daily fee basis. It may charge membership fees or dues, but a membership fee may not be required in order to use the property for golfing, and its green fees for golfing must be comparable to green fees typically charged by municipal courses; and

(iii) it meets the requirements of section 273.112, subdivision 3, paragraph (d).

A structure used as a clubhouse, restaurant, or place of refreshment in conjunction with the golf course is classified as class 3a property.

(3) real property up to a maximum of one acre of land owned by a nonprofit community service oriented organization; provided that the property is not used for a revenue-producing activity for more than six days in the calendar year preceding the year of assessment and the property is not used for residential purposes on either a temporary or permanent basis. For purposes of this clause, a "nonprofit community service oriented organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, fraternal, civic, or educational purposes, and which is exempt from federal income taxation pursuant to section 501(c)(3), (10), or (19) of the Internal Revenue Code of 1986, as amended through December 31, 1990. For purposes of this clause, "revenue-producing activities" shall include but not be limited to property or that portion of the property that is used as an on-sale intoxicating liquor or 3.2 percent malt liquor establishment licensed under chapter 340A, a restaurant open to the public, bowling alley, a retail store, gambling conducted by organizations licensed under chapter 349, an insurance business, or office or other space leased or rented to a lessee who conducts a for-profit enterprise on the premises. Any portion of the property which is used for revenue-producing activities for more than six days in the calendar year preceding the year of assessment shall be assessed as class 3a. The use of the property for social events open exclusively to members and their guests for periods of less than 24 hours, when an admission is not charged nor any revenues are received by the organization shall not be considered a revenue-producing activity;

(4) post-secondary student housing of not more than one acre of land that is owned by a nonprofit corporation organized under chapter 317A and is used exclusively by a student cooperative, sorority, or fraternity for on-campus housing or housing located within two miles of the border of a college campus; and

(5) manufactured home parks as defined in section 327.14, subdivision 3.

Class 4c property has a class rate of 2.1 percent of market value, except that (i) for each parcel of seasonal residential recreational property not used for commercial purposes the first \$75,000 of market value has a class rate of 1.4 percent, and the market value that exceeds \$75,000 has a class rate of 2.5 percent, and (ii) manufactured home parks assessed under clause (5) have a class rate of two percent.

(e) Class 4d property is qualifying low-income rental housing certified to the assessor by the housing finance agency under sections 273.126 and 462A.071. Class 4d includes land in proportion to the total market value of the building that is qualifying low-income rental housing. For all properties qualifying as class 4d, the market value determined by the assessor must be based on the normal approach to value using unrestricted rents.

Class 4d property has a class rate of one percent of market value.

(f) Class 4e property consists of the residential portion of any structure located within a city that was converted from nonresidential use to residential use, provided that:

(1) the structure had formerly been used as a warehouse;

- (2) the structure was originally constructed prior to 1940;
- (3) the conversion was done after December 31, 1995, but before January 1, 2003; and
- (4) the conversion involved an investment of at least \$25,000 per residential unit.

Class 4e property has a class rate of 2.3 percent, provided that a structure is eligible for class 4e classification only in the 12 assessment years immediately following the conversion.

Subd. 2. [EFFECTIVE DATE.] This section is effective for taxes levied in 1997, payable in 1998, and thereafter.

Sec. 29. [EFFECTIVE DATE.]

Unless provided otherwise, each section of this act takes effect at the time that the provision of law enacted in 1997 that it amends, cites, or refers to takes effect."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 12 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Belanger	Hottinger	Langseth	Olson	Scheevel
Berg	Janezich	Larson	Ourada	Scheid
Berglin	Johnson, D.E.	Lesewski	Pappas	Solon
Betzold	Johnson, D.H.	Limmer	Pariseau	Spear
Cohen	Johnson, D.J.	Lourey	Piper	Stevens
Day	Johnson, J.B.	Marty	Pogemiller	Stumpf
Dille	Junge	Metzen	Price	Ten Eyck
Fischbach	Kelley, S.P.	Moe, R.D.	Ranum	Terwilliger
Flynn	Kelly, R.C.	Morse	Robertson	Vickerman
Foley	Kleis	Murphy	Robling	Wiener
Frederickson	Knutson	Neuville	Runbeck	Wiger
Hanson	Krentz	Novak	Sams	
Higgins	Laidig	Oliver	Samuelson	

So the bill, as amended, was passed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D., with the concurrence of the first author, moved that S.F. No. 16 be withdrawn from the Committee on Rules and Administration, given a second reading and placed on General Orders. The motion prevailed.

S.F. No. 16 was read the second time.

### SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 16 and that the rules of the Senate be so far suspended as to give S.F. No. 16, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

**S.F. No. 16:** A bill for an act relating to education finance; providing an effective date for a requirement that contracts relating to construction or improvement of educational facilities are subject to prevailing wage requirements; amending Laws 1997, chapter 231, article 16, section 31.

Mr. Scheevel moved to amend S.F. No. 16 as follows:

Delete everything after the enacting clause and insert:

"Section 1. [REPEALER.]

Minnesota Statutes 1997 Supplement, section 121.15, subdivision 1a, is repealed.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective retroactive to July 1, 1997."

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 34, as follows:

Those who voted in the affirmative were:

Belanger	Johnson, D.E.	Lesewski	Ourada	Stevens
Berg	Kleis	Limmer	Pariseau	Terwilliger
Day	Knutson	Morse	Robertson	Vickerman
Dille	Laidig	Neuville	Robling	
Fischbach	Langseth	Oliver	Runbeck	
Frederickson	Larson	Olson	Scheevel	

Those who voted in the negative were:

Anderson	Hottinger	Kelly, R.C.	Piper	Solon
Betzold	Janezich	Krentz	Pogemiller	Spear
Cohen	Johnson, D.H.	Lourey	Price	Stumpf
Flynn	Johnson, D.J.	Metzen	Ranum	Ten Eyck
Foley	Johnson, J.B.	Moe, R.D.	Sams	Wiener
Hanson	Junge	Murphy	Samuelson	Wiger
Higgins	Kelley, S.P.	Pappas	Scheid	

The motion did not prevail. So the amendment was not adopted.

Mr. Scheevel then moved to amend S.F. No. 16 as follows:

Page 1, after line 23, insert:

"Sec. 2. [STEWARTVILLE SCHOOL DISTRICT.]

\$400,000 is appropriated from the general fund to the commissioner of children, families, and learning for a grant to independent school district No..., Stewartville, for unanticipated expenses due to prevailing wage requirements enacted by the 1997 legislature."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail. So the amendment was not adopted.

S.F. No. 16 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Day	Frederickson	Johnson, D.E.	Kelley, S.P.
Belanger	Dille	Hanson	Johnson, D.H.	Kelly, R.C.
Berg	Fischbach	Higgins	Johnson, D.J.	Knutson
Betzold	Flynn	Hottinger	Johnson, J.B.	Krentz
Cohen	Foley	Janezich	Junge	Laidig

Langseth	Murphy	Piper	Samuelson	Terwilliger
Larson	Neuville	Pogemiller	Scheevel	Vickerman
Lesewski	Novak	Price	Scheid	Wiener
Lourey	Oliver	Ranum	Solon	Wiger
Marty	Olson	Robertson	Spear	
Metzen	Ourada	Robling	Stevens	
Moe, R.D.	Pappas	Runbeck	Stumpf	
Morse	Pariseau	Sams	Ten Eyck	

So the bill passed and its title was agreed to.

### RECONSIDERATION

Mr. Moe, R.D. moved that the vote whereby S.F. No. 16 was passed by the Senate on October 28, 1997, be now reconsidered. The motion prevailed.

S.F. No. 16 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Langseth	Ourada	Solon
Belanger	Janezich	Larson	Pappas	Spear
Berg	Johnson, D.E.	Lesewski	Pariseau	Stevens
Betzold	Johnson, D.H.	Limmer	Piper	Stumpf
Cohen	Johnson, D.J.	Lourey	Pogemiller	Ten Eyck
Day	Johnson, J.B.	Marty	Price	Terwilliger
Dille	Junge	Metzen	Ranum	Vickerman
Fischbach	Kelley, S.P.	Moe, R.D.	Robertson	Wiener
Flynn	Kelly, R.C.	Morse	Robling	Wiger
Foley	Kleis	Murphy	Runbeck	
Frederickson	Knutson	Neuville	Sams	
Hanson	Krentz	Oliver	Scheevel	
Higgins	Laidig	Olson	Scheid	

Messrs. Novak and Samuelson voted in the negative.

So the bill passed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D., with the concurrence of the first author, moved that S.F. No. 22 be withdrawn from the Committee on Rules and Administration. The motion prevailed.

### SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 22 and that the rules of the Senate be so far suspended as to give S.F. No. 22 its second and third reading and place it on its final passage. The motion prevailed.

S.F. No. 22 was read the second time.

**S.F. No. 22:** A resolution memorializing Congress to support legislative initiatives to discourage use of public resources for movement of professional sports franchises and to repeal antitrust exemptions for professional sports.

Was read the third time and placed on its final passage.

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Langseth	Olson	Scheevel
Belanger	Janezich	Larson	Ourada	Scheid
Berglin	Johnson, D.E.	Lesewski	Pappas	Solon
Betzold	Johnson, D.H.	Limmer	Pariseau	Spear
Cohen	Johnson, D.J.	Lourey	Piper	Stevens
Day	Johnson, J.B.	Marty	Pogemiller	Stumpf
Dille	Junge	Metzen	Price	Ten Eyck
Fischbach	Kelley, S.P.	Moe, R.D.	Ranum	Terwilliger
Flynn	Kelly, R.C.	Morse	Robertson	Vickerman
Foley	Kleis	Murphy	Robling	Wiener
Frederickson	Knutson	Neuville	Runbeck	Wiger
Hanson	Krentz	Novak	Sams	
Higgins	Laidig	Oliver	Samuelson	

So the resolution passed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Janezich moved that S.F. No. 2 be taken from the table. The motion prevailed.

**S.F. No. 2:** A bill for an act relating to capital improvements; providing for a process to construct, fund, maintain, and govern a major league baseball park; providing for powers and duties of the metropolitan sports facilities commission; authorizing certain taxes, revenue distributions, bonds and other debt obligations, and allocations; proposing an amendment to the Minnesota Constitution, article XI, section 14 extending until the year 2011 the period during which at least 40 percent of the net proceeds from the state lottery must be credited to the environment and natural resources trust fund; appropriating money for the baseball park, a professional hockey arena in the city of St. Paul, and the Minneapolis convention center; amending Minnesota Statutes 1996, sections 297A.135, subdivisions 2, 3, 4, and by adding a subdivision; 349A.10, subdivision 5, and by adding subdivisions; 473.551, subdivision 8, and by adding subdivisions; 473.552; 473.553, subdivision 1; 473.556, subdivisions 3, 4, 5, and by adding subdivisions; and 473F.08, subdivision 5, and by adding a subdivision; Laws 1986, chapter 396, section 2, subdivision 1, as amended; proposing coding for new law in Minnesota Statutes, chapter 473; proposing coding for new law as Minnesota Statutes, chapters 473I; and 473J; repealing Laws 1986, chapter 396, section 2, subdivision 2.

### RECONSIDERATION

Having voted on the prevailing side, Mr. Oliver moved that the vote whereby the Terwilliger amendment to S.F. No. 2 was not adopted on October 28, 1997, be now reconsidered. The motion prevailed.

The question recurred on the Terwilliger amendment, as amended.

Mr. Morse moved to amend the Terwilliger amendment to S.F. No. 2 as follows:

Page 2, line 13, after "on" insert ":

(1)"

Page 2, line 20, after "block" insert "; and

(2) the commissioner of finance certifies that the commissioner has obtained binding commitments from persons who agree to purchase shares of stock in the corporation with an aggregate value of at least \$100,000,000 upon acquisition of the team by the state" and delete everything after the period

Page 2, delete lines 21 and 22

The question was taken on the adoption of the Morse amendment to the Terwilliger amendment.

The roll was called, and there were yeas 21 and nays 43, as follows:

Those who voted in the affirmative were:

Berg	Limmer	Pappas	Sams	Ten Eyck
Betzold	Lourey	Piper	Samuelson	
Cohen	Marty	Price	Scheevel	
Johnson, J.B.	Metzen	Ranum	Stevens	
Krentz	Morse	Robling	Stumpf	

Those who voted in the negative were:

Anderson	Frederickson	Kelly, R.C.	Neuville	Scheid
Beckman	Hanson	Kleis	Novak	Solon
Belanger	Higgins	Knutson	Oliver	Spear
Berglin	Hottinger	Laidig	Olson	Terwilliger
Day	Janezich	Langseth	Ourada	Vickerman
Dille	Johnson, D.E.	Larson	Pariseau	Wiener
Fischbach	Johnson, D.H.	Lesewski	Pogemiller	Wiger
Flynn	Junge	Moe, R.D.	Robertson	
Foley	Kelley, S.P.	Murphy	Runbeck	

The motion did not prevail. So the amendment to the amendment was not adopted.

The question recurred on the Terwilliger amendment, as amended.

The roll was called, and there were yeas 35 and nays 29, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Johnson, D.H.	Murphy	Solon
Beckman	Foley	Kelley, S.P.	Neuville	Spear
Belanger	Frederickson	Laidig	Novak	Stumpf
Berglin	Higgins	Langseth	Ourada	Ten Eyck
Betzold	Hottinger	Larson	Pogemiller	Terwilliger
Cohen	Janezich	Metzen	Sams	Vickerman
Dille	Johnson, D.E.	Moe, R.D.	Scheid	Wiener

Those who voted in the negative were:

Berg	Junge	Lourey	Pariseau	Runbeck
Day	Kelly, R.C.	Marty	Piper	Samuelson
Fischbach	Kleis	Morse	Price	Scheevel
Hanson	Knutson	Oliver	Ranum	Stevens
Johnson, D.J.	Krentz	Olson	Robertson	Wiger
Johnson, J.B.	Limmer	Pappas	Robling	

The motion prevailed. So the Terwilliger amendment, as amended, was adopted.

S.F. No. 2 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 35 and nays 30, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Johnson, D.H.	Murphy	Solon
Beckman	Foley	Kelley, S.P.	Neuville	Spear
Belanger	Frederickson	Laidig	Novak	Stumpf
Berglin	Higgins	Langseth	Oliver	Ten Eyck
Betzold	Hottinger	Larson	Ourada	Terwilliger
Cohen	Janezich	Lesewski	Pogemiller	Vickerman
Dille	Johnson, D.E.	Moe, R.D.	Scheid	Wiener

Those who voted in the negative were:

Berg	Junge	Lourey	Pariseau	Runbeck
Day	Kelly, R.C.	Marty	Piper	Sams
Fischbach	Kleis	Metzen	Price	Samuelson
Hanson	Knutson	Morse	Ranum	Scheevel
Johnson, D.J.	Krentz	Olson	Robertson	Stevens
Johnson, J.B.	Limmer	Pappas	Robling	Wiger

So the bill, as amended, was passed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

**Messrs. Moe, R.D. and Day introduced--**

**Senate Concurrent Resolution No. 1:** A Senate concurrent resolution relating to adjournment for more than three days.

BE IT RESOLVED by the Senate, the House of Representatives concurring, that upon adjournment on October 28, 1997, the Senate and House of Representatives may each adjourn for more than three days.

Mr. Moe, R.D. moved the adoption of the foregoing resolution.

The question was taken on the adoption of the resolution.

The roll was called, and there were yeas 48 and nays 15, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Kelly, R.C.	Novak	Solon
Beckman	Higgins	Knutson	Ourada	Spear
Belanger	Hottinger	Krentz	Pappas	Stevens
Betzold	Janezich	Laidig	Piper	Stumpf
Cohen	Johnson, D.E.	Langseth	Pogemiller	Ten Eyck
Day	Johnson, D.H.	Lourey	Price	Terwilliger
Dille	Johnson, D.J.	Metzen	Ranum	Vickerman
Flynn	Johnson, J.B.	Moe, R.D.	Sams	Wiener
Foley	Junge	Morse	Samuelson	
Frederickson	Kelley, S.P.	Murphy	Scheid	

Those who voted in the negative were:

Berg	Larson	Marty	Olson	Runbeck
Fischbach	Lesewski	Neuville	Pariseau	Scheevel
Kleis	Limmer	Oliver	Robertson	Wiger

The motion prevailed. So the resolution was adopted.

### MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Oliver moved that the name of Ms. Junge be added as a co-author to S.F. No. 10. The motion prevailed.

Mr. Limmer moved that his name be stricken as a co-author to S.F. No. 20. The motion prevailed.

Ms. Anderson moved that the name of Ms. Runbeck be added as a co-author to S.F. No. 22. The motion prevailed.



**INTRODUCTION AND FIRST READING OF SENATE BILLS**

The following bill was read the first time and referred to the committee indicated.

**Messrs. Johnson, D.E. and Dille introduced--**

**S.F. No. 24:** A bill for an act relating to gambling; proposing an amendment to the Minnesota Constitution, articles X, section 8; XI, section 14; and XIII, section 5, to prohibit the legislature from authorizing any form of gambling, and to nullify all laws that authorize gambling; repealing authorization for private social bets and certain tribal-state compacts, contingent on approval of the constitutional amendment; amending Minnesota Statutes 1996, section 609.75, subdivision 3; repealing Laws 1989, chapter 334, article 6, section 14; and Laws 1990, chapter 590, article 1, section 48, subdivision 2.

Referred to the Committee on Rules and Administration.

**MEMBERS EXCUSED**

Mr. Sams was excused from the Session of today from 3:30 to 4:00 p.m. Mr. Novak was excused from the Session of today from 4:30 to 5:45 p.m. Mr. Beckman was excused from the Session of today from 5:00 to 7:00 p.m.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Thursday, November 13, 1997. The motion prevailed.

**MESSAGES FROM THE HOUSE**

Mr. President:

I have the honor to announce the adoption by the House of the following Senate Concurrent Resolution, herewith returned:

**Senate Concurrent Resolution No. 1:** A Senate concurrent resolution relating to adjournment for more than three days.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned October 28, 1997

Patrick E. Flahaven, Secretary of the Senate



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