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and Fiscal Analysis**

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**Senate**

**State of Minnesota**

**S.F. No. 2635 - Aitkin County**

**Author:** Senator Linda Scheid

**Prepared by:** Daniel P. McGowan, Senate Counsel (651/296-4397)

*DPM*

**Date:** March 31, 2006

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This bill would repeal a 1988 special law that authorized Aitkin County to regulate by ordinance the use of lands adjacent to public waters and dedicated to the public but that are not owned by the state or other public entity.

DPM:mvm

**Senators Scheid and Metzen introduced-**

**S.F. No. 2635:** Referred to the Committee on State and Local Government Operations.

1.1

A bill for an act  
relating to local government; repealing the authority for Aitkin County regulation  
of certain public land interests; repealing Laws 1988, chapter 658, section 1.

1.4

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

1.5

**Section 1. REPEALER.**

1.6

Laws 1988, chapter 658, section 1, is repealed.

**USE AFTER SENATE COMMITTEE DEADLINE (March 28)**

Companion H.F. No. \_\_\_\_\_ now in House \_\_\_\_\_ Committee;

sent there on \_\_\_\_\_, \_\_\_\_\_; **OR** had second reading on \_\_\_\_\_,

**COMMITTEE REPORT - WITH AMENDMENTS**

**Committee on**

S .F. No. 2635

- Resolution
- Re-referred (from another committee)

**Amendments:**

A-1

**Committee recommendation:**

- And when so amended the bill do pass.
- And when so amended the bill do pass and be placed on the Consent Calendar.
- And when so amended the bill do pass and be re-referred to the Committee on \_\_\_\_\_.

**No recommendation:** And when so amended the bill be

- (re-referred to the Committee on \_\_\_\_\_ *OR*
- (reported to the Senate).

\_\_\_\_\_, \_\_\_\_\_ (date of committee recommendation)

1.1 **Senator Higgins from the Committee on State and Local Government**  
 1.2 **Operations, to which was referred**

1.3 **S.F. No. 2635:** A bill for an act relating to local government; repealing the authority  
 1.4 for Aitkin County regulation of certain public land interests; repealing Laws 1988, chapter  
 1.5 658, section 1.

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

1.7 Page 1, after line 4, insert:

1.8 "Section 1. **LOCAL PUBLIC LAND ORDINANCES.**

1.9 **Subdivision 1. Regulation.** Any town or city within Aitkin County may regulate  
 1.10 by ordinance the use of lands within its boundaries that are adjacent to public waters  
 1.11 and dedicated to the public or for public use but not owned by the state or held in the  
 1.12 corporate name of a home rule charter or statutory city or other political subdivision. The  
 1.13 ordinance may regulate the times and types of uses of the lands, including the placement  
 1.14 of structures, the parking of vehicles or trailers, and the placement of docks and boats on  
 1.15 the lands or in waters adjacent to them. The ordinance may make different provisions  
 1.16 for times and types of uses for each separate parcel of land affected by the ordinance.  
 1.17 The ordinance may provide penalties permitted by Minnesota Statutes, section 368.01,  
 1.18 subdivision 22, or section 412.231. The ordinance is not required to include every parcel  
 1.19 of land possibly subject to this section.

1.20 The enactment of an ordinance pursuant to this section shall not be construed to be  
 1.21 the acquisition of any affected parcel of land by the town. The exercise of regulatory  
 1.22 authority under the ordinance shall not be construed as the adoption of any affected parcel  
 1.23 for maintenance, supervision, or any other proprietary purpose by the town.

1.24 **Subd. 2. Local approval.** This section takes effect as to each town or city the day  
 1.25 after the governing body of that town or city complies with Minnesota Statutes, section  
 1.26 645.021, subdivision 3.

1.27 **Sec. 2. COUNTY LAND ORDINANCE.**

1.28 **Subdivision 1. Regulation.** If a town or city notifies the Aitkin County Board of  
 1.29 Commissioners that the town or city does not intend to adopt ordinances under section 1,  
 1.30 or if a town or city has not adopted ordinances under section 1 within two years from the  
 1.31 effective date of this act, the Aitkin County Board of Commissioners may regulate, within  
 1.32 the boundaries of the town or city, the lands described in the manner described in section 1.

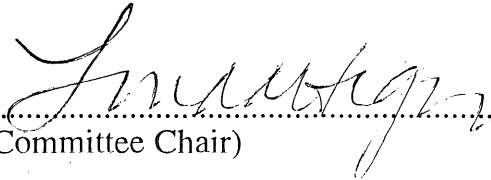
1.33 **Subd. 2. Local approval.** This section takes effect the day after the Aitkin County  
 1.34 Board of Commissioners complies with Minnesota Statutes, section 645.021, subdivision  
 1.35 3."

Renumber the sections in sequence

1.37 Amend the title accordingly



2.1 And when so amended the bill do pass. Amendments adopted. Report adopted.

2.3   
.....  
(Committee Chair)

2.4 April 3, 2006 .....  
2.5 (Date of Committee recommendation)

1.1 Senator Tomassoni moves to amend S.F. No. 2635 as follows:

2 Page 1, after line 4, insert:

1.3 "Section 1. **LOCAL PUBLIC LAND ORDINANCES.**

1.4 Subdivision 1. Regulation. Any town or city within Aitkin County may regulate  
1.5 by ordinance the use of lands within its boundaries that are adjacent to public waters  
1.6 and dedicated to the public or for public use but not owned by the state or held in the  
1.7 corporate name of a home rule charter or statutory city or other political subdivision. The  
1.8 ordinance may regulate the times and types of uses of the lands, including the placement  
1.9 of structures, the parking of vehicles or trailers, and the placement of docks and boats on  
1.10 the lands or in waters adjacent to them. The ordinance may make different provisions  
1.11 for times and types of uses for each separate parcel of land affected by the ordinance.  
1.12 The ordinance may provide penalties permitted by Minnesota Statutes, section 368.01,  
1.13 subdivision 22, or section 412.231. The ordinance is not required to include every parcel  
1.14 of land possibly subject to this section.

1.15 The enactment of an ordinance pursuant to this section shall not be construed to be  
1.16 the acquisition of any affected parcel of land by the town. The exercise of regulatory  
1.17 authority under the ordinance shall not be construed as the adoption of any affected parcel  
1.18 for maintenance, supervision, or any other proprietary purpose by the town.

1.19 Subd. 2. Local approval. This section takes effect as to each town or city the day  
1.20 after the governing body of that town or city complies with Minnesota Statutes, section  
1.21 645.021, subdivision 3.

1.22 Sec. 2. **COUNTY LAND ORDINANCE.**

23 Subdivision 1. Regulation. If a town or city notifies the Aitkin County board of  
1.24 commissioners that the town or city does not intend to adopt ordinances under section 1,  
1.25 or if a town or city has not adopted ordinances under section 1 within two years from the  
1.26 effective date of this act, the Aitkin County board of commissioners may regulate, within  
1.27 the boundaries of the town or city, the lands described in the manner described in section 1.

1.28 Subd. 2. Local approval. This section takes effect the day after the Aitkin County  
1.29 board of commissioners complies with Minnesota Statutes, section 645.021, subdivision  
1.30 3."

1.31 Renumber the sections in sequence and correct the internal references

1.32 Amend the title accordingly

1.1 A bill for an act  
 1.2 relating to human services; creating an adoption advisory task force and requiring  
 1.3 a report.

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

1.5 Section 1. ADOPTION ADVISORY TASK FORCE.

1.6 Subdivision 1. Creation; membership. An adoption advisory task force is created  
 1.7 to study and make recommendations regarding content, reorganization, and recodification  
 1.8 of statutes and rules related to adoption. The task force is composed of 17 members  
 1.9 appointed by the commissioner of human services as follows:

- 1.10 (1) the commissioner of health, or the commissioner's designee;
- 1.11 (2) an attorney who practices adoption law;
- 2 (3) a representative from the Minnesota Supreme Court Adoption Rules Committee;
- 1.13 (4) a representative from three private social service agencies that perform adoptions;
- 1.14 (5) a private practitioner who provides postadoption search and reunification  
 1.15 services;
- 1.16 (6) a Department of Human Services staff member whose primary responsibility  
 1.17 is adoption and related services;
- 1.18 (7) a representative of a social service agency providing adoption services for  
 1.19 minority families;
- 1.20 (8) an enrolled tribal member with expertise in the Indian Child Welfare Act;
- 1.21 (9) two representatives of county social service agencies;
- 1.22 (10) an adoptive parent;
- 1.23 (11) an adopted person identified by an adoption advocacy group;
- 1.24 (12) two birth parents identified by a birth parent advocacy group;

2.1 (13) a member of the Minnesota House of Representatives; and

2.2 (14) a member of the Minnesota Senate.

2.3 The commissioner of human services, or the commissioner's designee, shall chair  
2.4 the task force.

2.5 Subd. 2. Expenses. Members shall not receive a per diem, but shall receive  
2.6 reimbursement for expenses as provided in section 15.091, subdivision 6.

2.7 Subd. 3. Duties; report. The task force shall meet on a regular basis to perform  
2.8 the following duties:

2.9 (a) review and report on whether the existing adoption and birth record statutes and  
2.10 rules need to be rewritten to reflect best practice guidelines as reported to the legislature  
2.11 in 2006;

2.12 (b) review and report on whether existing adoption and birth record statutes and  
2.13 rules need to be recodified; and

2.14 (c) propose legislation to implement statutory changes in content and reorganization  
2.15 of adoption and birth record statutes. The task force shall submit a written report with its  
2.16 findings and recommendations to the house and senate committees having jurisdiction  
2.17 over adoption by January 10, 2007.

**USE AFTER SENATE COMMITTEE DEADLINE (March 28)**

Companion H.F. No. \_\_\_\_\_ now in House \_\_\_\_\_ Committee;

sent there on \_\_\_\_\_, \_\_\_\_\_; **OR** had second reading on \_\_\_\_\_, \_\_\_\_\_,

**COMMITTEE REPORT - WITH AMENDMENTS**

**Committee on**

S .F. No. 3209

Resolution

Re-referred (from another committee)

**Amendments:**

A-2  
Pg 2, line 18, insert SUNSET  
The tax force expires after subd. 3.

**Committee recommendation:**

And when so amended the bill do pass.

And when so amended the bill do pass and be placed on the Consent Calendar.

And when so amended the bill do pass and be re-referred to the Committee on

Finance.

**No recommendation:** And when so amended the bill be

(re-referred to the Committee on \_\_\_\_\_ **OR**

(reported to the Senate).

\_\_\_\_\_, \_\_\_\_\_ (date of committee recommendation)

1.1 **Senator Higgins from the Committee on State and Local Government**  
1.2 **Operations, to which was re-referred**

1.3 **S.F. No. 3209:** A bill for an act relating to human services; creating an adoption  
advisory task force and requiring a report.

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

1.6 Page 1, line 8, delete "17" and insert "15"

1.7 Page 1, line 23, after the semicolon, insert "and"

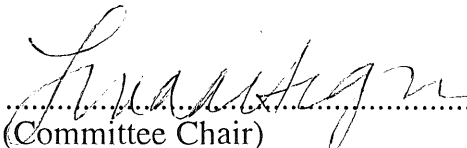
1.8 Page 1, line 24, delete the semicolon and insert a period

1.9 Page 2, delete lines 1 and 2

1.10 Page 2, after line 17, insert:

1.11 "Subd. 4. Expiration. The task force expires after submission of the report required  
1.12 by subdivision 3."

1.13 And when so amended the bill do pass and be re-referred to the Committee on  
1.14 Finance. Amendments adopted. Report adopted.

1.15   
1.16 (Committee Chair)

1.17 April 3, 2006 .....  
1.18 (Date of Committee recommendation)

*Adopted*

- 1.1 Senator *Kubly* moves to amend S.F. No. 3209 as follows:
- 1.2 Page 1, line 8, delete "17" and insert "15"
- 1.3 Page 1, line 23, after the semicolon, insert "and"
- 1.4 Page 1, line 24, delete the semicolon and insert a period
- 1.5 Page 2, delete lines 1 and 2

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State of Minnesota

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**HOUSE OF REPRESENTATIVES**

**EIGHTY-FOURTH  
SESSION**

**HOUSE FILE No. 3310**

March 9, 2006

Authored by Cornish, Tingelstad, Ozment and Seifert

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs

March 21, 2006

To Pass and placed on the Consent Calendar

Read Second Time

A bill for an act

relating to state government; authorizing advance deposits or payments for boat slip rental; amending Minnesota Statutes 2004, section 16A.065.

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

Section 1. Minnesota Statutes 2004, section 16A.065, is amended to read:

**16A.065 PREPAY SOFTWARE, SUBSCRIPTIONS, UNITED STATES DOCUMENTS.**

Notwithstanding section 16A.41, subdivision 1, the commissioner may allow an agency to make advance deposits or payments for software or software maintenance services for state-owned or leased electronic data processing equipment, for sole source maintenance agreements where it is not cost-effective to pay in arrears, for exhibit booth space or boat slip rental when required by the renter to guarantee the availability of space, for registration fees where advance payment is required or advance payment discount is provided, and for newspaper, magazine, and other subscription fees customarily paid for in advance. The commissioner may also allow advance deposits by any department with the Library of Congress and federal Supervisor of Documents for items to be purchased from those federal agencies.





## Department of Natural Resources Fact Sheet



### BOAT SLIP RENTAL PRE-PAYMENT AUTHORIZATION

#### Summary

This bill will authorize advance deposits or payments for boat slips rented by DNR in the same language/manner as subscriptions, registration fees, and software maintenance (Minn. Stat. 16A.065).

The normal business practice for renting boat slips is to pre-pay the rental agreement to reserve the space before the boating season.

#### Background

The Department has about 20 boat slip rental agreements at this time. Conservation Officers currently have boat slip agreements at such locations as Lake Pepin, Mississippi River in Southeastern Minnesota, St. Croix River, Lake Vermillion, Rainy Lake, and Mille Lacs Lake. Fisheries has about a dozen boat slip locations as well.

Generally, these boat slips are in key locations of several major bodies of water that require a more stable and permanent facility for work operations, and that might otherwise monopolize busy public access sites with Department equipment.

#### It is needed because

The Department needs to be able to obtain boat slip agreements, and not lose key slip locations to other parties that pre-pay the rent for the summer. Currently, a mix of monthly and quarterly payment contracts have been implemented but this change would allow the state to reserve appropriate boat slips that are needed for Conservation Officers and Fisheries. The changes in this bill would correct and formalize some current practices.

#### Financial Implications

No change in costs to the state are identified. The Department of Administration has delegated authority to enter into agreements for boat slips to the Department of Natural Resources.

#### For further information contact:

COL Michael R. Hamm, Chief Conservation Officer  
DNR, Director of Enforcement  
(651) 259-5042  
[mike.hamm@dnr.state.mn.us](mailto:mike.hamm@dnr.state.mn.us)

Patricia Watts, Policy/Legal Analyst  
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HOUSE OF REPRESENTATIVES

EIGHTY-FOURTH  
SESSION

HOUSE FILE No. 2998

March 1, 2006

Authored by Hoppe, Ozment and Atkins

The bill was read for the first time and referred to the Committee on Jobs and Economic Opportunity Policy and Finance

March 8, 2006

By motion, recalled and re-referred to the Committee on Governmental Operations and Veterans Affairs

March 21, 2006

To Pass and placed on the Consent Calendar

Read Second Time

1.1 A bill for an act  
1.2 relating to labor; providing that a certain provision on arbitrations for firefighters  
1.3 does not expire; amending Minnesota Statutes 2004, section 179A.16,  
1.4 subdivision 7a.

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

1.6 Section 1. Minnesota Statutes 2004, section 179A.16, subdivision 7a, is amended to  
1.7 read:

1.8 Subd. 7a. **Decision affecting firefighters.** ~~(a)~~For firefighters, subdivision 7  
1.9 governs, except that the arbitrator or panel is restricted to selecting between the final  
1.10 offer total packages of the parties as submitted to the commissioner at impasse, unless  
1.11 conventional arbitration is agreed to by both parties in writing. However, the arbitrator or  
1.12 panel has no jurisdiction or authority to entertain any matter or issue that is not a term  
1.13 and condition of employment or protected by section 179A.07, subdivision 1, unless the  
1.14 matter or issue was included in the employer's final position.

1.15 ~~(b) This subdivision expires June 30, 2006.~~

**USE AFTER SENATE COMMITTEE DEADLINE (March 28)**

Companion H.F. No. \_\_\_\_\_ now in House \_\_\_\_\_ Committee;

sent there on \_\_\_\_\_, \_\_\_\_; **OR** had second reading on \_\_\_\_\_, \_\_\_\_

**COMMITTEE REPORT - NO AMENDMENTS**

**Committee on** \_\_\_\_\_

H. **F. No.** 2998

Resolution

Re-referred (from another committee)

**Committee recommendation:**

do pass.

do pass and be placed on the Consent Calendar.

do pass and be re-referred to the Committee on \_\_\_\_\_.

**No recommendation:**

(be re-referred to the Committee on \_\_\_\_\_ **OR**

(be reported to the Senate) .

\_\_\_\_\_, \_\_\_\_ (date of committee recommendation)

1.1 **Senator Higgins from the Committee on State and Local Government**  
1.2 **Operations, to which was referred**

1.3 **H.F. No. 2998:** A bill for an act relating to labor; providing that a certain provision  
1.4 on arbitrations for firefighters does not expire; amending Minnesota Statutes 2004, section  
1.5 179A.16, subdivision 7a.

1.6 Reports the same back with the recommendation that the bill do pass. Report  
1.7 adopted.

1.8   
1.9 (Committee Chair)

1.10 April 3, 2006 .....  
1.11 (Date of Committee recommendation)

1.1 A bill for an act  
 1.2 relating to public safety; creating a committee to study and recommend adjusting  
 collateral consequences of adult criminal convictions and juvenile adjudications.

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

1.5 Section 1. COLLATERAL CONSEQUENCES COMMITTEE.

1.6 Subdivision 1. Establishment; duties. A collateral consequences committee  
 1.7 is established to study collateral consequences of adult convictions and juvenile  
 1.8 adjudications. The committee shall identify the uses of collateral consequences of  
 1.9 convictions and adjudications and recommend any proposed changes to the legislature on  
 1.10 collateral consequences.

1.11 Subd. 2. Resources. The Department of Corrections shall provide technical  
 1.12 assistance to the committee on request, with the assistance of the commissioner of public  
 1.13 safety and the Sentencing Guidelines Commission.

1.14 Subd. 3. Membership. The committee consists of:

1.15 (1) one representative from each of the following groups:

1.16 (i) crime victim advocates, appointed by the commissioner of public safety;

1.17 (ii) county attorneys, appointed by the Minnesota County Attorneys Association;

1.18 (iii) city attorneys, appointed by the League of Minnesota Cities;

1.19 (iv) district court judges, appointed by the Judicial Council;

1.20 (v) private criminal defense attorneys, appointed by the Minnesota Association of

1.21 Criminal Defense Lawyers;

1.22 (vi) probation officers, appointed by the Minnesota Association of County Probation  
Officers; and

1.24 (vii) the state public defender or a designee; and

2.1 (2) the commissioner of public safety, or a designee, who shall chair the group.

2.2 Subd. 4. Report and recommendations. The committee shall present the  
2.4 legislature with its report and recommendations no later than January 15, 2007. The  
2.5 report must be presented to the chairs of the senate Crime Prevention and Public Safety  
Committee and the house Public Safety and Finance Committee.

**USE AFTER SENATE COMMITTEE DEADLINE (March 28)**

Companion H.F. No. \_\_\_\_\_ now in House \_\_\_\_\_ Committee;

sent there on \_\_\_\_\_, \_\_\_\_; **OR** had second reading on \_\_\_\_\_, \_\_\_\_\_.

**COMMITTEE REPORT - NO AMENDMENTS**

**Committee on** \_\_\_\_\_

S. F. No. 3078

Resolution

Re-referred (from another committee)

**Committee recommendation:**

do pass.

do pass and be placed on the Consent Calendar.

do pass and be re-referred to the Committee on \_\_\_\_\_.

**No recommendation:**

(be re-referred to the Committee on \_\_\_\_\_ *OR*

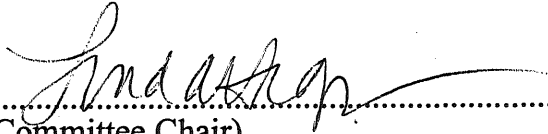
(be reported to the Senate) .

\_\_\_\_\_, \_\_\_\_ (date of committee recommendation)

1.1 **Senator Higgins from the Committee on State and Local Government**  
 1.2 **Operations, to which was re-referred**

1.5 **S.F. No. 3078:** A bill for an act relating to public safety; creating a committee to study and recommend adjusting collateral consequences of adult criminal convictions and juvenile adjudications.

1.6 Reports the same back with the recommendation that the bill do pass. Report  
 1.7 adopted.

1.8   
 1.9 (Committee Chair)

1.10 April 3, 2006 .....  
 1.11 (Date of Committee recommendation)



**Senate Counsel, Research,  
and Fiscal Analysis**

G-17 STATE CAPITOL  
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**Senate**

**State of Minnesota**

**S.F. No. 3254 - Limits on Postsecondary Fees**

**Author:** Senator David H. Senjem

**Prepared by:** Daniel P. McGowan, Senate Counsel (651/296-4397)

*DPM*

**Date:** March 31, 2006

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This bill would prohibit a city, county, or township from imposing a fee, assessment or similar charge on a person based upon a person's status as a postsecondary educational institution student or on the postsecondary educational institution itself based upon the number of students attending.

DPM:mvm

**Senators Senjem; Robling; Belanger; Johnson, D.J. and Tomassoni introduced—  
S.F. No. 3254: Referred to the Committee on State and Local Government Operations.**

1.1 A bill for an act  
1.2 relating to local government; prohibiting units of local government from  
1.3 imposing certain fees related to students at postsecondary institutions; proposing  
1.4 coding for new law in Minnesota Statutes, chapter 471.

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

1.6 Section 1. [471.685] LIMIT ON POSTSECONDARY INSTITUTION FEES.

1.7 A statutory or home rule charter city, county, or town may not impose a fee,  
1.8 assessment, or similar charge:

1.9 (1) on a person, based on the person's status as a student enrolled in a postsecondary  
1.10 educational institution; or

1.11 (2) on a postsecondary educational institution, based on the number of students  
attending the postsecondary institution.

**USE AFTER SENATE COMMITTEE DEADLINE (March 28)**

Companion H.F. No. \_\_\_\_\_ now in House \_\_\_\_\_ Committee;

sent there on \_\_\_\_\_, \_\_\_\_\_; **OR** had second reading on \_\_\_\_\_,

**COMMITTEE REPORT - WITH AMENDMENTS**

**Committee on**

S.F. No. 3254

Resolution

Re-referred (from another committee)

**Amendments:**

pg 7, line 13, insert Section 1, EFFECTIVE DATE. This section is effective the day following final enactment.

**Committee recommendation:**

And when so amended the bill do pass.

And when so amended the bill do pass and be placed on the Consent Calendar.

And when so amended the bill do pass and be re-referred to the Committee on \_\_\_\_\_.

**No recommendation:** And when so amended the bill be

(re-referred to the Committee on \_\_\_\_\_ OR

(reported to the Senate).

\_\_\_\_\_, \_\_\_\_\_ (date of committee recommendation)

1.1 **Senator Higgins from the Committee on State and Local Government**  
 1.2 **Operations, to which was referred**

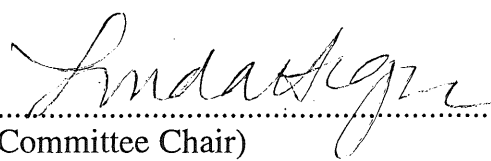
1.5 **S.F. No. 3254:** A bill for an act relating to local government; prohibiting units of local government from imposing certain fees related to students at postsecondary institutions; proposing coding for new law in Minnesota Statutes, chapter 471.

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

1.7 Page 1, after line 12, insert:

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

1.9 And when so amended the bill do pass. Amendments adopted. Report adopted.

1.10   
 1.11 (Committee Chair)

1.12 April 3, 2006 .....  
 3 (Date of Committee recommendation)

Senator Koering introduced-

S.F. No. 3219: Referred to the Committee on Environment and Natural Resources.

1.1 A bill for an act  
relating to state lands; authorizing sale or transfer of surplus land at the Brainerd  
Regional Treatment Center.

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

1.5 Section 1. CONVEYANCE OF SURPLUS STATE LAND AT BRAINERD  
1.6 REGIONAL TREATMENT CENTER.

1.7 (a) Notwithstanding Minnesota Statutes, sections 16B.281 to 16B.287, or any other  
1.8 law, administrative rule, or commissioner's order to the contrary, the commissioner of  
1.9 administration may convey to a local unit of government for no consideration all or part of  
1.10 the real property at the Brainerd Regional Treatment Center for public purposes consistent  
1.11 with the master plan and reuse study. The conveyance must be in a form approved by the  
attorney general and subject to Minnesota Statutes, section 16A.695.

1.13 (b) The commissioner may require the local unit of government to reimburse the  
1.14 state for all or part of any campus redevelopment funded and completed by the state.

1.15 (c) Notwithstanding Minnesota Statutes, section 16C.23, the commissioner of  
1.16 administration may convey to one or more local units of government for no consideration  
1.17 all or part of the personal property determined by the commissioner of human services to  
1.18 be no longer needed for human services operations.

1.19 (d) If a local unit of government sells any property conveyed under this section to a  
1.20 private entity, the sale must be at fair market value.

**USE AFTER SENATE COMMITTEE DEADLINE (March 28)**

Companion H.F. No. \_\_\_\_\_ now in House \_\_\_\_\_ Committee;

sent there on \_\_\_\_\_, \_\_\_\_\_; **OR** had second reading on \_\_\_\_\_,

**COMMITTEE REPORT - WITH AMENDMENTS**

**Committee on**

S .F. No. 3219

- Resolution
- Re-referred (from another committee)

**Amendments:**

pg 1, line 21, insert **EFFECTIVE DATE**, This section is effective the day following final enactment,"

pg 1, line 11 after ~~study~~ insert, "or as approved by the Crowing County Board."

**Committee recommendation:**

- And when so amended the bill do pass.
- And when so amended the bill do pass and be placed on the Consent Calendar.
- And when so amended the bill do pass and be re-referred to the Committee on \_\_\_\_\_.

**No recommendation:** And when so amended the bill be

- (re-referred to the Committee on \_\_\_\_\_ **OR**
- (reported to the Senate).

\_\_\_\_\_, \_\_\_\_\_ (date of committee recommendation)

1.1 Senator Higgins from the Committee on State and Local Government  
1.2 Operations, to which was referred

1.3 S.F. No. 3219: A bill for an act relating to state lands; authorizing sale or transfer of  
surplus land at the Brainerd Regional Treatment Center.

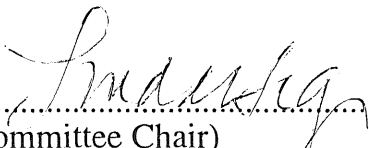
1.5 Reports the same back with the recommendation that the bill be amended as follows:

1.6 Page 1, line 11, after "study" insert "or as approved by the Crow Wing County Board"

1.7 Page 1, after line 20, insert:

1.8 "EFFECTIVE DATE. This section is effective the day following final enactment."

1.9 And when so amended the bill do pass. Amendments adopted. Report adopted.

1.10   
1.11 (Committee Chair)

1.12 April 3, 2006 .....  
(Date of Committee recommendation)

Senators Koering, Solon, Higgins, Sams and Berglin introduced—

S.F. No. 3240: Referred to the Committee on Health and Family Security.

1.1 A bill for an act  
1.2 relating to human services; establishing a pharmacy payment reform advisory  
1.3 committee; providing for a study; requiring a report to the legislature.

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

1.5 Section 1. PHARMACY PAYMENT REFORM ADVISORY COMMITTEE.

1.6 Subdivision 1. Definitions. For purposes of this section, the following words, terms,  
1.7 and phrases have the following meanings:

1.8 (a) "Department" means the Department of Human Services.

1.9 (b) "Commissioner" means the commissioner of the Department of Human Services.

1.10 (c) "Cost of dispensing" includes, but is not limited to, operational and overhead  
1.11 costs; professional counseling as required under the Omnibus Budget Reconciliation Act  
1.12 of 1990, excluding medication management services under Minnesota Statutes, section  
1.13 256B.0625, subdivision 13h; salaries; and other associated administrative costs, as well  
1.14 as a reasonable return on investment. In addition, cost of dispensing includes expenses  
1.15 transferred by wholesale drug distributors to pharmacies as a result of the wholesale drug  
1.16 distributor tax under Minnesota Statutes, sections 295.52 to 295.582.

1.17 (d) "Additional costs" include, but are not limited to, costs relating to coordination of  
1.18 benefits, bad debt, uncollected co-pays, payment lag times, and high rate of rejected claims.

1.19 (e) "Advisory committee" means the Pharmacy Payment Reform Advisory  
1.20 Committee established by this section.

1.21 Subd. 2. Advisory committee. The Pharmacy Payment Reform Advisory  
1.22 Committee is established under the direction of the commissioner of human services.  
The commissioner, after receiving recommendations from the Minnesota Pharmacists  
1.23 Association, the Minnesota Retailers Association, the Minnesota Hospital Association,  
1.24



2.1 and the Minnesota Wholesale Druggists Association, shall convene a pharmacy payment  
2.2 reform advisory committee to advise the commissioner and make recommendations to the  
2.3 legislature on implementation of pharmacy reforms contained in title VI, chapter IV, of  
2.4 the Deficit Reduction Act of 2005. The committee shall be comprised of three licensed  
2.5 pharmacists representing both independent and chain pharmacy entities, one of whom  
2.6 must have expertise in pharmacoeconomics, two individuals representing hospitals with  
2.7 outpatient pharmacies, and two individuals with expertise in wholesale drug distribution.  
2.8 The committee shall be staffed by an employee of the department who shall serve as an ex  
2.9 officio nonvoting member of the committee. The department's pharmacy program manager  
2.10 shall also serve as an ex officio, nonvoting member of the committee. The committee is  
2.11 governed by Minnesota Statutes, section 15.059, except that committee members do not  
2.12 receive compensation or reimbursement for expenses. The advisory committee members  
2.13 shall serve a two-year term and the advisory committee will expire on January 31, 2008.

2.14 Subd. 3. Cost of dispensing study. The department shall conduct a prescription  
2.15 drug cost of dispensing study to determine the average cost of dispensing Medicaid  
2.16 prescriptions in Minnesota. The department shall contract with an independent third  
2.17 party in the state that has experience conducting business cost allocation studies, such as  
2.18 an academic institution, to conduct a prescription drug cost of dispensing study. If no  
2.19 independent third-party entity exists in the state, the department may contract with an  
2.20 out-of-state entity. The cost of dispensing study shall be completed by an independent  
2.21 third party no later than October 1, 2006, and reported to the department and the advisory  
2.22 committee upon completion.

2.23 Subd. 4. Content of study. The study shall determine the cost of dispensing  
2.24 the average prescription and any additional costs that might be incurred for dispensing  
2.25 Medicaid prescriptions. The study shall include the current level of dispensing fees paid  
2.26 to providers and an estimate of revenues required to adequately adjust reimbursement  
2.27 to cover the cost to pharmacies.

2.28 Subd. 5. Methodology of study and publishing requirement. The independent  
2.29 third-party entity performing the cost of dispensing research shall submit to the advisory  
2.30 committee the entity's proposed research methodology and shall publish the collected data  
2.31 to allow other independent researchers to validate the study results. The data shall be  
2.32 published in a manner that does not identify the source of the data.

2.33 Subd. 6. Recommendations. The advisory committee shall use the information  
2.34 from the cost of dispensing study and make recommendations to the commissioner on  
2.35 implementation of pharmacy reforms contained in title VI, chapter IV, of the Deficit  
2.36 Reduction Act of 2005. The commissioner shall report the findings of the study and

3.1 the recommendations of the advisory committee to the legislature by January 15, 2007.  
3.2 The department shall conduct a cost of dispensing study every three years following the  
3.3 initial report. The commissioner, in consultation with the advisory committee, shall make  
3.4 recommendations to the legislature on how to adequately adjust reimbursement rates to  
3.5 pharmacies to cover the costs of dispensing and additional costs to pharmacies. Reports  
3.6 shall include the current level of dispensing fees paid to providers and an estimate of  
3.7 revenues required to adequately adjust reimbursement to ensure that:

3.8 (1) reimbursement is sufficient to enlist an adequate number of participating  
3.9 pharmacy providers so that pharmacy services are as available for Medicaid recipients  
3.10 under the program as for the state's general population;

3.11 (2) Medicaid dispensing fees are adequate to reimburse pharmacy providers for the  
3.12 costs of dispensing prescriptions under the Medicaid program;

3.13 (3) Medicaid pharmacy reimbursement for multiple-source drugs included on the  
3.14 federal upper reimbursement limit is set at the level established by the federal government  
3.15 under United States Code, title 42, section 1396r-8(e)(5);

3.16 (4) the combined Medicaid program reimbursement for prescription drug product  
3.17 and the dispensing fee provides a return adequate to provide a reasonable profit for the  
3.18 participating pharmacy; and

3.19 (5) the new payment system does not create disincentives for pharmacists to  
3.20 dispense generic drugs.

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

**USE AFTER SENATE COMMITTEE DEADLINE (March 28)**

Companion H.F. No. \_\_\_\_\_ now in House \_\_\_\_\_ Committee;

sent there on \_\_\_\_\_, \_\_\_\_\_; **OR** had second reading on \_\_\_\_\_,

**COMMITTEE REPORT - WITH AMENDMENTS**

**Committee on**

S .F. No. 3240

Resolution

Re-referred (from another committee)

**Amendments:**

pg 2, line 4 delete "composed" insert  
"Composed"

**Committee recommendation:**

And when so amended the bill do pass.

And when so amended the bill do pass and be placed on the Consent Calendar.

And when so amended the bill do pass and be re-referred to the Committee on

Finance.

**No recommendation:** And when so amended the bill be

(re-referred to the Committee on \_\_\_\_\_ **OR**

(reported to the Senate).

\_\_\_\_\_, \_\_\_\_\_ (date of committee recommendation)

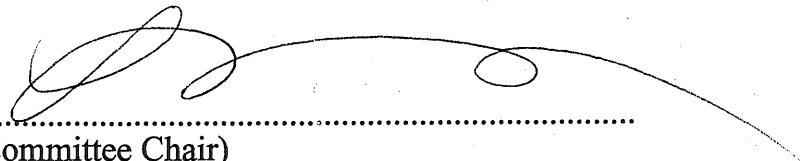
1.1 **Senator Higgins from the Committee on State and Local Government**  
1.2 **Operations, to which was re-referred**

1.5 **S.F. No. 3240:** A bill for an act relating to human services; establishing a pharmacy payment reform advisory committee; providing for a study; requiring a report to the legislature.

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

1.7 Page 2, line 4, delete "comprised" and insert "composed"

1.8 And when so amended the bill do pass and be re-referred to the Committee on  
1.9 Finance. Amendments adopted. Report adopted.

1.10   
1.11 .....  
(Committee Chair)

1.12 April 3, 2006 .....  
1.13 (Date of Committee recommendation)



## RESPONDING TO FEDERAL MEDICAID REFORMS: PHARMACY REIMBURSEMENT

>>> ISSUE BRIEF <

### MEDICAID PHARMACY REIMBURSEMENT

Minnesota has 1,586 pharmacies and roughly 485,400 people on Medicaid. Minnesota loses on average 12-13 pharmacies per year and has a shortage of approximately 400 pharmacists. Pharmacists in rural Minnesota also serve many nursing homes, hospitals and other entities by providing medication reviews for patients and ordering and delivering medications.

- **FEDERAL CHANGES TO MEDICAID PHARMACY REIMBURSEMENT FORMULAS COULD UNINTENTIONALLY CREATE DISINCENTIVES FOR DISPENSING GENERIC DRUGS AND HARM PATIENTS' ACCESS TO MEDICATIONS AND ACCESS TO THE KNOWLEDGE OF A PHARMACIST. THIS IS PARTICULARLY LIKELY IF STATES DO NOT ADJUST REIMBURSEMENT TO ADDRESS STATE SPECIFIC CONDITIONS THAT ALTER THE COST OF DISPENSING.**

Average pharmacy profit margins are in the range of 1.8% - 2.2%. Further reductions in reimbursement will put pharmacists' profit margin below the cost of dispensing in many cases.

- **IN ORDER TO ENSURE THAT THE FEDERAL REFORMS ARE IMPLEMENTED IN A WAY THAT DOES NOT BRING ABOUT THESE UNINTENDED CONSEQUENCES:**
  - A study should be conducted to determine the cost of dispensing a prescription to Medicaid patients in Minnesota.
  - An advisory committee should be formed to review the new drug product reimbursement mechanism created and the cost of dispensing study results to make recommendations to the legislature on how to implement the federal reforms.
  - The cost of dispensing study must take state-specific policies that increase cost into consideration. For example expenses associated with the Minnesota Wholesale Drug Distributor Tax. **NO OTHER STATE HAS THIS TAX.**

**Senate Counsel, Research,  
and Fiscal Analysis**

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# Senate

State of Minnesota

## **S.F. No. 3587 - Department of Administration Procurement Changes**

**Author:** Senator Sheila Kiscaden

**Prepared by:** Thomas S. Bottern, Senate Counsel (651/296-3810) *TGB*

**Date:** March 31, 2006

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This bill makes various changes to the laws governing the state procurement process. These include definitions for new methods of procurement such as the enterprise procurement system and the use of strategic sourcing. The Commissioner of Administration is also given increased authority to require state agencies to use centralized procurement.

**Section 1. BEST AND FINAL OFFER.** provides a new definition for “best and final offer” to allow the state to request responders to improve their response.

**Section 2. BEST VALUE.** allows the commissioner to use strategic sourcing tools to achieve “best value,” including product standardization and mandatory-use enterprise contracts.

**Section 3. ENTERPRISE PROCUREMENT.** defines “enterprise procurement” as a process used by the Commissioner of Administration to achieve economies of scale when contracting for goods and services.

**Section 4. REQUEST FOR PROPOSAL OR RFP.** amends the definition for RFP to clarify that responses to an RFP may be further negotiated to achieve the best value for the state.

**Section 5. RESPONSE.** adds to the definition of “response” to include best and final offers as responses.

**Section 6. STRATEGIC SOURCING.** lists a variety of methods that may be used to achieve strategic sourcing, including product standardization and contract consolidation.

**Section 7. ACQUISITION AUTHORITY.** allows the use of contract consolidation, product standardization, and other methods for state acquisition of goods and services. Requires that the commissioner engage in enterprise procurement to the extent practicable. Specifies that if criteria other than price are used, price must remain a significant percentage of the criteria, unless otherwise approved by the commissioner.

**Section 8. CONTRACTING AUTHORITY.** authorizes the Commissioner of Administration to require staff from other agencies to participate in developing enterprise procurements.

**Section 9. POLICY AND PROCEDURES.** requires the Commissioner of Administration to develop policies and procedures to ensure optimal use of strategic sourcing techniques.

**Section 10. CENTRAL STORES.** allows the commissioner of Administration to require any other state agency to use central stores if it is consistent with best value.

**Section 11. DELEGATION OF DUTIES.** allows the Commissioner of Administration to require another agency to accept delegated responsibility for procurement if the goods and services being acquired are for the exclusive use of that agency.

**Section 12. AGENCY COOPERATION.** amends existing law that requires agency cooperation to include agency cooperation in the development and implementation of strategic sourcing.

**Section 13. CREATION AND VALIDITY OF CONTRACTS.** provides an exception from the requirement in existing law that requires a specific encumbrance on the accounting system before the related contract is valid and binding on the state. The exception applies only when the Commissioners of Finance and Administration have approved it as a policy for a routine, low-dollar procurement.

**Section 14. ENTERPRISE PROCUREMENT PROCESS.** requires the Commissioner of Administration to use enterprise procurement for professional or technical contracts for use by multiple state agencies to the fullest extent practicable. Where the commissioner uses this authority, states that Minnesota Statutes, section 15.061, does not apply. Section 15.061 authorizes agency heads to separately contract for professional and technical services, with the approval of the Commissioner of Administration, and exempts those contracts from the bidding requirements in Chapter 16C.

**Section 15. DUTIES OF CONTRACTING AGENCY.** increases from \$5,000 to \$10,000 the threshold for the application of certain statutory requirements for the approval of professional or technical services contracts. Also adds a new requirement for an explanation of why the procurement is being done unilaterally by the relevant agency and not as an enterprise procurement.

**Section 16. PROCEDURE FOR SERVICE CONTRACTS.** creates a threshold of \$10,000 before certain statutory requirements for service contracts apply.

**Section 17. REVERSE OPTION.** expands the use of the reverse auction process to include all types of services except engineering design services or building and construction contracts. Current law allows the use of reverse auctions only for the acquisition of goods or computer services.

TSB:rdr



Senators Kiscaden, Michel and Reiter introduced-

S.F. No. 3587: Referred to the Committee on State and Local Government Operations.

1.1 A bill for an act  
 1.2 relating to state government; modifying procurement provisions; amending  
 1.3 Minnesota Statutes 2004, sections 16C.02, subdivisions 4, 12, 14, by adding  
 1.4 subdivisions; 16C.03, subdivisions 3, 4, 8, 13, 16; 16C.05, subdivisions 1,  
 1.5 2; 16C.08, subdivision 2, by adding a subdivision; Minnesota Statutes 2005  
 1.6 Supplement, sections 16C.09; 16C.10, subdivision 7.

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

1.8 Section 1. Minnesota Statutes 2004, section 16C.02, is amended by adding a  
 1.9 subdivision to read:

1.10 Subd. 3a. Best and final offer. "Best and final offer" means an optional step in  
 1.11 the solicitation process in which responders are requested to improve their response by  
 1.12 methods including, but not limited to, the reduction of cost, clarification or modification of  
the response, or the provision of additional information.

1.14 Sec. 2. Minnesota Statutes 2004, section 16C.02, subdivision 4, is amended to read:

1.15 Subd. 4. Best value. "Best value" describes a result intended in the acquisition of all  
 1.16 goods and services. Price must be one of the evaluation criteria when acquiring goods  
 1.17 and services. Other evaluation criteria may include, but are not limited to, environmental  
 1.18 considerations, quality, and vendor performance. In achieving "best value" strategic  
 1.19 sourcing tools, including, but not limited to, best and final offers, negotiations, contract  
 1.20 consolidation, product standardization, and mandatory-use enterprise contracts shall be  
 1.21 used at the commissioner's discretion.

1.22 Sec. 3. Minnesota Statutes 2004, section 16C.02, is amended by adding a subdivision  
 1.23 to read:

2.1        **Subd. 6a. Enterprise procurement.** "Enterprise procurement" means the process  
 2.2        undertaken by the commissioner to leverage economies of scale of multiple end users to  
 2.3        achieve cost savings and other favorable terms in contracts for goods and services.

2.4        Sec. 4. Minnesota Statutes 2004, section 16C.02, subdivision 12, is amended to read:

2.5        **Subd. 12. Request for proposal or RFP.** "Request for proposal" or "RFP" means a  
 2.6        solicitation in which it is not advantageous to set forth all the actual, detailed requirements  
 2.7        at the time of solicitation and responses are ~~subject to negotiation~~ negotiated to achieve  
 2.8        best value for the state.

2.9        Sec. 5. Minnesota Statutes 2004, section 16C.02, subdivision 14, is amended to read:

2.10       **Subd. 14. Response.** "Response" means the offer received from a vendor in  
 2.11       response to a solicitation. A response includes submissions commonly referred to as  
 2.12       "offers," "best and final offers," "bids," "quotes," or "proposals."

2.13       Sec. 6. Minnesota Statutes 2004, section 16C.02, is amended by adding a subdivision  
 2.14       to read:

2.15       **Subd. 20. Strategic sourcing.** "Strategic sourcing" means methods used to analyze  
 2.16       and reduce spending on goods and services including, but not limited to, spend analysis,  
 2.17       product standardization, contract consolidation, multiple jurisdiction purchasing alliances,  
 2.18       reverse auctions, lifecycle costing, and other techniques.

2.19       Sec. 7. Minnesota Statutes 2004, section 16C.03, subdivision 3, is amended to read:

2.20       **Subd. 3. Acquisition authority.** The commissioner shall acquire all goods, services,  
 2.21       and utilities needed by agencies. The commissioner shall acquire goods, services, and  
 2.22       utilities by requests for bids, requests for proposals, reverse auctions as provided in  
 2.23       section 16C.10, subdivision 7, or other methods provided by law, unless a section of law  
 2.24       requires a particular method of acquisition to be used. The commissioner shall make all  
 2.25       decisions regarding acquisition activities. The determination of the acquisition method  
 2.26       and all decisions involved in the acquisition process, unless otherwise provided for by  
 2.27       law, shall be based on best value which includes an evaluation of price and may include  
 2.28       other considerations including, but not limited to, environmental considerations, quality,  
 2.29       and vendor performance. In achieving best value, methods including best and final offers,  
 2.30       negotiations, contract consolidation, product standardization, mandatory-use contracts,  
 2.31       total cost of ownership assessments, and other strategic sourcing techniques shall be  
 2.32       employed at the commissioner's discretion. The commissioner shall engage in enterprise

3.1 procurements to the extent practicable. A best value determination must be based on the  
3.2 evaluation criteria detailed in the solicitation document. If criteria other than price are  
used, the solicitation document must state the relative importance of price and other  
3.4 factors. If criteria other than price are used, price must constitute a significant percentage  
3.5 of the relative importance of the criteria, unless otherwise provided by law or approved  
3.6 by the commissioner. Unless it is determined by the commissioner that an alternative  
3.7 solicitation method provided by law should be used to determine best value, a request for  
3.8 bid must be used to solicit formal responses for all building and construction contracts.  
3.9 Any or all responses may be rejected. When using the request for bid process, the bid  
3.10 must be awarded to the lowest responsive and responsible bidder, taking into consideration  
3.11 conformity with the specifications, terms of delivery, the purpose for which the contract  
3.12 or purchase is intended, the status and capability of the vendor, and other considerations  
3.13 imposed in the request for bids. The commissioner may decide which is the lowest  
3.14 responsible bidder for all purchases and may use the principles of life-cycle costing, where  
3.15 appropriate, in determining the lowest overall bid. The duties set forth in this subdivision  
3.16 are subject to delegation pursuant to this section.

3.17 Sec. 8. Minnesota Statutes 2004, section 16C.03, subdivision 4, is amended to read:

3.18 Subd. 4. **Contracting authority.** The commissioner shall conduct all contracting by,  
3.19 for, and between agencies and perform all contract management and review functions for  
3.20 contracts, except those functions specifically delegated to be performed by the contracting  
3.21 agency, the attorney general, or otherwise provided for by law. The commissioner may  
3.22 require that agency staff participate in the development of enterprise procurements  
including the development of product standards, specifications, and other requirements.

3.24 Sec. 9. Minnesota Statutes 2004, section 16C.03, subdivision 8, is amended to read:

3.25 Subd. 8. **Policy and procedures.** The commissioner is authorized to issue policies,  
3.26 procedures, and standards applicable to all acquisition activities by and for agencies.  
3.27 Consistent with the authority specified in this chapter, the commissioner shall develop  
3.28 and implement policies, procedures, and standards ensuring the optimal use of strategic  
3.29 sourcing techniques.

3.30 Sec. 10. Minnesota Statutes 2004, section 16C.03, subdivision 13, is amended to read:

3.31 Subd. 13. **Central stores.** The commissioner is authorized to provide agencies with  
supplies and equipment and operate all central stores and supply rooms serving more

4.1 than one agency. The commissioner is authorized to require agency use of this service  
4.2 if consistent with "best value."

4.3 Sec. 11. Minnesota Statutes 2004, section 16C.03, subdivision 16, is amended to read:

4.4 Subd. 16. **Delegation of duties.** The commissioner may delegate duties imposed by  
4.5 this chapter to the head of an agency and to any subordinate of the agency head. Delegated  
4.6 duties shall be exercised in the name of the commissioner and under the commissioner's  
4.7 direct supervision and control. A delegation of duties may include, but is not limited to,  
4.8 allowing individuals within agencies to acquire goods, services, and utilities within dollar  
4.9 limitations and for designated types of acquisitions. Delegation of contract management  
4.10 and review functions must be filed with the secretary of state and may not, except with  
4.11 respect to delegations within the Department of Administration, exceed two years in  
4.12 duration. The commissioner may withdraw any delegation at the commissioner's sole  
4.13 discretion. The commissioner may require an agency head or subordinate to accept  
4.14 delegated responsibility to procure goods or services intended for the exclusive use of the  
4.15 agency receiving the delegation.

4.16 Sec. 12. Minnesota Statutes 2004, section 16C.05, subdivision 1, is amended to read:

4.17 Subdivision 1. **Agency cooperation.** Agencies shall fully cooperate with the  
4.18 commissioner in the management and review of state contracts and in the development  
4.19 and implementation of strategic sourcing techniques.

4.20 Sec. 13. Minnesota Statutes 2004, section 16C.05, subdivision 2, is amended to read:

4.21 Subd. 2. **Creation and validity of contracts.** (a) A contract is not valid and the state  
4.22 is not bound by it and no agency, without the prior written approval of the commissioner  
4.23 granted pursuant to subdivision 2a, may authorize work to begin on it unless:

4.24 (1) it has first been executed by the head of the agency or a delegate who is a party  
4.25 to the contract;

4.26 (2) it has been approved by the commissioner; and

4.27 (3) the accounting system shows an encumbrance for the amount of the contract  
4.28 liability except as allowed by policy approved by the commissioner and the commissioner  
4.29 of finance for routine, low-dollar procurements.

4.30 (b) The combined contract and amendments must not exceed five years without  
4.31 specific, written approval by the commissioner according to established policy, procedures,  
4.32 and standards, or unless otherwise provided for by law. The term of the original contract

5.1 must not exceed two years unless the commissioner determines that a longer duration is  
5.2 in the best interest of the state.

(c) Grants, interagency agreements, purchase orders, work orders, and annual plans  
5.4 need not, in the discretion of the commissioner and attorney general, require the signature  
5.5 of the commissioner and/or the attorney general. A signature is not required for work  
5.6 orders and amendments to work orders related to Department of Transportation contracts.  
5.7 Bond purchase agreements by the Minnesota Public Facilities Authority do not require  
5.8 the approval of the commissioner.

(d) Amendments to contracts must entail tasks that are substantially similar to  
5.10 those in the original contract or involve tasks that are so closely related to the original  
5.11 contract that it would be impracticable for a different contractor to perform the work. The  
5.12 commissioner or an agency official to whom the commissioner has delegated contracting  
5.13 authority under section 16C.03, subdivision 16, must determine that an amendment would  
serve the interest of the state better than a new contract and would cost no more.

(e) A fully executed copy of every contract, amendments to the contract, and  
5.16 performance evaluations relating to the contract must be kept on file at the contracting  
5.17 agency for a time equal to that specified for contract vendors and other parties in  
5.18 subdivision 5.

(f) The attorney general must periodically review and evaluate a sample of state  
5.20 agency contracts to ensure compliance with laws.

5.21 Sec. 14. Minnesota Statutes 2004, section 16C.08, is amended by adding a subdivision  
5.22 to read:

Subd. 1a. Enterprise procurement process. Notwithstanding section 15.061 or  
5.24 any other law, the commissioner shall, to the fullest extent practicable, conduct enterprise  
5.25 procurements that result in the establishment of professional or technical contracts for  
5.26 use by multiple state agencies. The commissioner is authorized to mandate use of any  
5.27 contract entered into as a result of an enterprise procurement process. Agencies shall fully  
5.28 cooperate in the development and use of contracts entered into under this section.

5.29 Sec. 15. Minnesota Statutes 2004, section 16C.08, subdivision 2, is amended to read:

5.30 Subd. 2. **Duties of contracting agency.** (a) Before an agency may seek approval  
5.31 of a professional or technical services contract valued in excess of ~~\$5,000~~ \$10,000, it  
5.32 must provide the following:

(1) a description of how the proposed contract or amendment is necessary and  
5.34 reasonable to advance the statutory mission of the agency;

6.1 (2) a description of the agency's plan to notify firms or individuals who may be  
6.2 available to perform the services called for in the solicitation; ~~and~~

6.3 (3) a description of the performance measures or other tools that will be used to  
6.4 monitor and evaluate contract performance; and

6.5 (4) an explanation detailing, if applicable, why this procurement is being pursued  
6.6 unilaterally by the agency and not as an enterprise procurement.

6.7 (b) In addition to paragraph (a), the agency must certify that:

6.8 (1) no current state employee is able and available to perform the services called  
6.9 for by the contract;

6.10 (2) the normal competitive bidding mechanisms will not provide for adequate  
6.11 performance of the services;

6.12 (3) reasonable efforts will be made to publicize the availability of the contract to  
6.13 the public;

6.14 (4) the agency will develop and implement a written plan providing for the  
6.15 assignment of specific agency personnel to manage the contract, including a monitoring  
6.16 and liaison function, the periodic review of interim reports or other indications of past  
6.17 performance, and the ultimate utilization of the final product of the services;

6.18 (5) the agency will not allow the contractor to begin work before the contract is fully  
6.19 executed unless an exception under section 16C.05, subdivision 2a, has been granted by  
6.20 the commissioner and funds are fully encumbered;

6.21 (6) the contract will not establish an employment relationship between the state or  
6.22 the agency and any persons performing under the contract; and

6.23 (7) in the event the results of the contract work will be carried out or continued by  
6.24 state employees upon completion of the contract, the contractor is required to include  
6.25 state employees in development and training, to the extent necessary to ensure that after  
6.26 completion of the contract, state employees can perform any ongoing work related to  
6.27 the same function.

6.28 (c) A contract establishes an employment relationship for purposes of paragraph (b),  
6.29 clause (6), if, under federal laws governing the distinction between an employee and an  
6.30 independent contractor, a person would be considered an employee.

6.31 Sec. 16. Minnesota Statutes 2005 Supplement, section 16C.09, is amended to read:

6.32 **16C.09 PROCEDURE FOR SERVICE CONTRACTS.**

6.33 (a) Before entering into or approving a service contract valued in excess of \$10,000,  
6.34 the commissioner must determine, at least, that:

7.1 (1) no current state employee is able and available to perform the services called  
7.2 for by the contract;

(2) the work to be performed under the contract is necessary to the agency's  
7.4 achievement of its statutory responsibilities and there is statutory authority to enter into  
7.5 the contract;

7.6 (3) the contract will not establish an employment relationship between the state or  
7.7 the agency and any persons performing under the contract;

7.8 (4) the contractor and agents are not employees of the state;

7.9 (5) the contracting agency has specified a satisfactory method of evaluating and  
7.10 using the results of the work to be performed; and

7.11 (6) the combined contract and amendments will not exceed five years without  
7.12 specific, written approval by the commissioner according to established policy, procedures,  
7.13 and standards, or unless otherwise provided for by law. The term of the original contract  
7.14 must not exceed two years, unless the commissioner determines that a longer duration is  
7.15 in the best interest of the state.

7.16 (b) For purposes of paragraph (a), clause (1), employees are available if qualified  
7.17 and:

7.18 (1) are already doing the work in question; or

7.19 (2) are on layoff status in classes that can do the work in question.

7.20 An employee is not available if the employee is doing other work, is retired, or has decided  
7.21 not to do the work in question.

7.22 (c) This section does not apply to an agency's use of inmates pursuant to sections  
7.23 241.20 to 241.23 or to an agency's use of persons required by a court to provide:

(1) community service; or

7.25 (2) conservation or maintenance services on lands under the jurisdiction and control  
7.26 of the state.

7.27 Sec. 17. Minnesota Statutes 2005 Supplement, section 16C.10, subdivision 7, is  
7.28 amended to read:

7.29 Subd. 7. **Reverse auction.** (a) For the purpose of this subdivision, "reverse auction"  
7.30 means a purchasing process in which vendors compete to provide goods or ~~computer~~  
7.31 services at the lowest selling price in an open and interactive environment. Reverse  
7.32 auctions may not be utilized to procure engineering design services or to establish building  
and construction contracts under sections 16C.26 to 16C.29.

8.1 (b) The provisions of sections 13.591, subdivision 3, and 16C.06, subdivision 2,  
8.2 do not apply when the commissioner determines that a reverse auction is the appropriate  
8.3 purchasing process.



**USE AFTER SENATE COMMITTEE DEADLINE (March 28)**

Companion H.F. No. \_\_\_\_\_ now in House \_\_\_\_\_ Committee;

sent there on \_\_\_\_\_; **OR** had second reading on \_\_\_\_\_

**COMMITTEE REPORT - WITH AMENDMENTS**

**Committee on**

S .F. No. 3587

- Resolution
- Re-referred (from another committee)

**Amendments:**

page 8, after line 3, insert"

Sec. 18 Report. By January 15, 2008, the commissioner of administration must report to the chairs of the legislative committees with jurisdiction over state procurement regarding the impact of the changes in sections 1 to 17 and the use of strategic sourcing techniques on Minnesota businesses, including an analysis of the size of contracts and award recipients."

pg 5, line 31 delete \$ 10,000 insert \$ 5,000  
 pg 6, line 33 delete \$ 10,000 insert \$ 5,000

A-2  
 A-3

**Committee recommendation:**

- And when so amended the bill do pass.
- And when so amended the bill do pass and be placed on the Consent Calendar.
- And when so amended the bill do pass and be re-referred to the Committee on \_\_\_\_\_

**No recommendation:** And when so amended the bill be

- (re-referred to the Committee on \_\_\_\_\_ OR
- (reported to the Senate).

\_\_\_\_\_, \_\_\_\_\_ (date of committee recommendation)

1.1 Senator Higgins from the Committee on State and Local Government  
1.2 Operations, to which was referred

1.3 S.F. No. 3587: A bill for an act relating to state government; modifying procurement  
provisions; amending Minnesota Statutes 2004, sections 16C.02, subdivisions 4, 12, 14,  
by adding subdivisions; 16C.03, subdivisions 3, 4, 8, 13, 16; 16C.05, subdivisions 1, 2;  
1.6 16C.08, subdivision 2, by adding a subdivision; Minnesota Statutes 2005 Supplement,  
1.7 sections 16C.09; 16C.10, subdivision 7.

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

1.9 Page 3, line 4, delete the new language and insert "Contract awards for all systems  
1.10 integration projects that exceed \$500,000 in cost shall be based on the proposal that  
1.11 provides best value to the state's requirements, as determined by the evaluation criteria  
1.12 contained in the solicitation document. Evaluation criteria for the acquisition of such  
1.13 information technology services shall provide for the selection of a contractor on an  
1.14 objective basis not limited to cost alone."

1.15 Page 3, lines 5 to 6, delete the new language

1.16 Page 3, line 21, delete "The commissioner may" and insert "The commissioner must  
1.17 involve agency staff and agency staff must"

1.18 Page 3, line 22, delete "require that agency staff"

1.19 Page 5, line 31, delete "\$10,000" and insert "\$5,000"

1.20 Page 6, line 33, delete "\$10,000" and insert "\$5,000"

1.21 Page 7, line 32, after "services" insert "or architectural services"

1.22 Page 8, after line 3, insert:

1.23 "Sec. 18. **REPORT.**

1.24 By January 15, 2008, the commissioner of administration must report to the chairs of  
1.25 the legislative committees with jurisdiction over state procurement regarding the impact of  
1.26 the changes in sections 1 to 17 and the use of strategic sourcing techniques on Minnesota  
1.27 businesses, including an analysis of the size of contracts and award recipients."

1.28 Amend the title accordingly

1.29 And when so amended the bill do pass. Amendments adopted. Report adopted.

1.30 .....  
1.31 (Committee Chair)

1.32 April 3, 2006 .....  
1.33 (Date of Committee recommendation)

1.1 Senator Tomassoni moves to amend S.F. No. 3587 as follows:

1.2 Page 3, lines 4 to 6, delete the new language

1.3 Page 3, lines 21 and 22, delete "The commissioner may require that agency staff"

1.4 and insert "The commissioner must involve agency staff and agency staff must"

1.5 Page 7, line 32, after "services" insert "or architectural services"

1.1 Senator Tumassini moves to amend S.F. No. 3587 as follows:

1.3 Page 3, line 4, after the period, insert "Contract awards for all systems integration  
1.4 projects that exceed \$500,000 in cost shall be based on the proposal that provides best  
1.5 value to the state's requirements, as determined by the evaluation criteria contained in  
1.6 the solicitation document. Evaluation criteria for the acquisition of such information  
1.7 technology services shall provide for the selection of a contractor on an objective basis  
not limited to cost alone."

Senator Wiger introduced-

S.F. No. 3400: Referred to the Committee on State and Local Government Operations.

A bill for an act

relating to veterans; authorizing the placement of a plaque in the Court of Honor on the Capitol grounds honoring Minnesota's recipients of the Congressional Medal of Honor.

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

**Section 1. PLAQUE HONORING MINNESOTA'S CONGRESSIONAL MEDAL OF HONOR RECIPIENTS.**

A memorial plaque may be placed in the Court of Honor on the Capitol grounds to recognize those Minnesotans that have received the highest award for valor in action against an enemy force which can be bestowed upon an individual serving in the armed services of the United States. The plaque must be furnished by a person or organization other than the Department of Veterans Affairs and must be approved by the commissioner of veterans affairs and the Capitol Area Architectural and Planning Board.

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

**USE AFTER SENATE COMMITTEE DEADLINE (March 28)**

Companion H.F. No. \_\_\_\_\_ now in House \_\_\_\_\_ Committee;

sent there on \_\_\_\_\_, \_\_\_\_; **OR** had second reading on \_\_\_\_\_, \_\_\_\_

**COMMITTEE REPORT - NO AMENDMENTS**

**Committee on** \_\_\_\_\_

S. F. No. 3400

Resolution

Re-referred (from another committee)

**Committee recommendation:**

do pass.

do pass and be placed on the Consent Calendar.

do pass and be re-referred to the Committee on \_\_\_\_\_.

**No recommendation:**

(be re-referred to the Committee on \_\_\_\_\_ *OR*

(be reported to the Senate) .

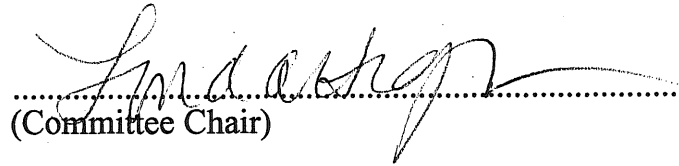
\_\_\_\_\_, \_\_\_\_ (date of committee recommendation)

1.1 **Senator Higgins from the Committee on State and Local Government**  
1.2 **Operations, to which was referred**

1.5 **S.F. No. 3400:** A bill for an act relating to veterans; authorizing the placement of a plaque in the Court of Honor on the Capitol grounds honoring Minnesota's recipients of the Congressional Medal of Honor.

1.6 Reports the same back with the recommendation that the bill do pass. Report  
1.7 adopted.

1.8 .....  
1.9 (Committee Chair)



1.10 April 3, 2006 .....  
1.11 (Date of Committee recommendation)

April 3, 2006 .....  
(Date of Committee recommendation)

Senators Dibble and Anderson introduced-

S.F. No. 3440: Referred to the Committee on State and Local Government Operations.

A bill for an act

relating to transportation; requiring language that the state will purchase plug-in hybrid electric vehicles when commercially available to be inserted in certain bid documents; appropriating money for the retrofitting of flexible fuel vehicles to operate as plug-in hybrid electric vehicles.

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

Section 1. STATE PURCHASING OF PLUG-IN HYBRID ELECTRIC VEHICLES.

Subdivision 1. Definition. As used in this section, "plug-in hybrid electric vehicle (PHEV)" means a vehicle containing an internal combustion engine that also allows power to be delivered to the drive wheels by a battery-powered electric motor and that meets applicable federal motor vehicle safety standards. When connected to the electrical grid via a two-way electrical outlet, the vehicle must be able to recharge its battery and transfer electricity to a utility. The vehicle must have the ability to travel at least 20 miles, powered substantially by electricity.

Subd. 2. Notice of state procurement policy in bid documents. All solicitation documents for the purchase of motor vehicles issued by the Department of Administration after June 30, 2006, must contain the following language: "It is the intention of the state of Minnesota to begin purchasing plug-in hybrid electric vehicles as soon as they become commercially available, meet the state's performance specifications, and are priced no more than ten percent above the price for comparable gasoline powered vehicles. It is the intention of the state to purchase at least 500 plug-in hybrid electric vehicles within a year after these conditions have been met, and to purchase at least 1,000 plug-in hybrid electric vehicles annually as fleet needs dictate for at least five years beginning two years after these conditions have been met."



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

2.2 Sec. 2. **APPROPRIATION; PLUG-IN HYBRID ELECTRIC VEHICLES.**

2.3 \$100,000 is appropriated in fiscal year 2007 from the general fund to the  
2.4 commissioner of commerce for a grant to Minnesota State University - Mankato for the  
2.5 automotive engineering program to retrofit two flexible fuel vehicles to also operate as  
2.6 plug-in hybrid electric vehicles (PHEVs).

2.7 **EFFECTIVE DATE.** This section is effective July 1, 2006.

**USE AFTER SENATE COMMITTEE DEADLINE (March 28)**

Companion H.F. No. \_\_\_\_\_ now in House \_\_\_\_\_ Committee;

sent there on \_\_\_\_\_, \_\_\_\_\_; **OR** had second reading on \_\_\_\_\_,

**COMMITTEE REPORT - WITH AMENDMENTS**

**Committee on**

S .F. No. 3440

Resolution

Re-referred (from another committee)

**Amendments:**

*A-1 amendment*

**Committee recommendation:**

And when so amended the bill do pass.

And when so amended the bill do pass and be placed on the Consent Calendar.

And when so amended the bill do pass and be re-referred to the Committee on

Finance.

**No recommendation:** And when so amended the bill be

(re-referred to the Committee on \_\_\_\_\_ **OR**

(reported to the Senate).

\_\_\_\_\_, \_\_\_\_\_ (date of committee recommendation)

1.1 **Senator Higgins from the Committee on State and Local Government**  
1.2 **Operations, to which was referred**

1.3 **S.F. No. 3440:** A bill for an act relating to transportation; requiring language that  
1.4 the state will purchase plug-in hybrid electric vehicles when commercially available to  
1.5 be inserted in certain bid documents; appropriating money for the retrofitting of flexible  
1.6 fuel vehicles to operate as plug-in hybrid electric vehicles.

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

1.8 Page 1, line 16, before "All" insert "(a)"

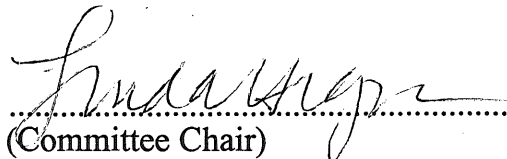
1.9 Page 1, delete line 17 and insert "documents for the purchase of a passenger  
1.10 automobile, as defined in Minnesota Statutes, section 168.011, subdivision 7; pickup  
1.11 truck, as defined in Minnesota Statutes, section 168.011, subdivision 29; or van, as defined  
1.12 in Minnesota Statutes, section 168.011, subdivision 28, issued under the jurisdiction of the  
1.13 Department of Administration"

1.14 Page 1, delete lines 22 to 24 and insert "intention of the state to purchase plug-in  
1.15 hybrid electric vehicles whenever practicable after these conditions have been met, and as  
fleet needs dictate for at least five years after"

1.17 Page 1, after line 25, insert:

1.18 "(b) For information purposes, state agencies purchase approximately 800 of the  
1.19 vehicles identified in paragraph (a) per year."

1.20 And when so amended the bill do pass and be re-referred to the Committee on  
1.21 Finance. Amendments adopted. Report adopted.

1.22   
1.23 (Committee Chair)

4 April 3, 2006 .....  
5 (Date of Committee recommendation)

1.1 Senator Dibble moves to amend S.F. No. 3440 as follows:

Page 1, line 16, before "All" insert "(a)"

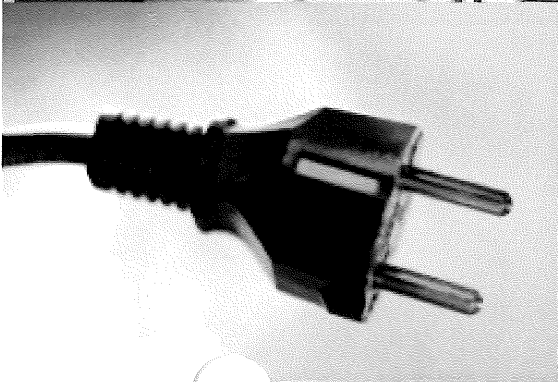
1.3 Page 1, delete line 17 and insert "documents for the purchase of a passenger  
1.4 automobile, as defined in Minnesota Statutes, section 168.011, subdivision 7; pickup  
1.5 truck, as defined in Minnesota Statutes, section 168.011, subdivision 29; or van, as defined  
1.6 in Minnesota Statutes, section 168.011, subdivision 28, issued under the jurisdiction of the  
1.7 Department of Administration"

1.8 Page 1, delete lines 22 to 24 and insert "intention of the state to purchase plug-in  
1.9 hybrid electric vehicles whenever practicable after these conditions have been met, and as  
1.10 fleet needs dictate for at least five years after"

1.11 Page 1, after line 25 insert:"

1.12 (b) For information purposes, state agencies purchase approximately 800 of the  
1.13 vehicles identified in paragraph (a) per year."

# Minnesota Flex-Fuel Plug-In Hybrids for Energy Independence



# JEWISH WORLD



VOICE OF MINNESOTA JEWRY

## A car made in Minnesota can eliminate nation's dependency on foreign oil

*Ford's assembly plant in St. Paul could be producing the cars of the future that get 500 miles or more per gallon*

By FRANK HORNSTEIN and MICHAEL NOBLE

At the end of February, two cars driven by al-Qaida militants tried to crash the gates of the world's largest oil refinery, the Abqaiq plant in Saudi Arabia. Security guards opened fire, and the cars exploded, killing two attackers and severely wounding two guards. World oil markets responded with an up-tick in price, leading one to imagine how the price would have skyrocketed if the refinery had been destroyed — the Abqaiq plant

handles two thirds of Saudi Arabia's oil production.

America's vulnerability to disruption of foreign oil supplies leads some to naively believe that the solution is increasing oil production here at home, but experts estimate that 75 percent of the oil in the lower 48 has already been consumed. In 1950, Texas was the world's largest oil producing region and the United States produced half the world's oil.

Today, the United States doesn't even produce half the oil used in America, and Texas no longer pro-

duces enough for itself, importing \$7 billion in oil annually. Less than three percent of the world's remaining oil is in the United States, including the Arctic National Wildlife Refuge. Throwing away billions of dollars of tax breaks to get expensive U.S. oil out of the ground is a failed policy we call "Exhaust America First."

Americans spend more than \$100 billion per year on foreign oil, an amount that is increasing annually. That dependency jeopardizes our economy and our international competitiveness and leads to price shocks and market disruptions.

In world oil markets, China is our key competitor for access to oil. During the last several years, China has become the fastest growing buyer of oil on the global market. The Interna-

tional Energy Agency predicts that Chinese oil imports will increase eightfold within 25 years, placing huge economic and environmental pressures on the world.

America's dependence on oil from unstable or dangerous regimes threatens global security. Two-thirds of global oil reserves are in the politically volatile Middle East, and undemocratic countries like Venezuela, Sudan, Nigeria and Russia are among the top 10 in oil reserves.

America's presence in the Persian Gulf costs American taxpayers \$50 billion to \$100 billion or more in annual defense spending. As New York Times columnist Tom Friedman said in a recent speech at the Fitzgerald Theater, "We are funding both sides of the war on terror."

Efficient, high technology vehicles and renewable fuels are the best near-term answer to energy independence. Today, you can buy a hybrid-electric four-passenger sedan that gets 50 miles per gallon. If that car were a flex-fuel vehicle, able to run on E-85 fuel (an 85 percent ethanol-to-gasoline blend), its mileage would jump to 280 miles per gallon of gasoline.

Let's take efficiency a step further. Imagine that same flex-fuel hybrid car with enough rechargeable battery capacity to store 20 miles' worth of electricity. You would recharge your car like you do your cell phone. Since about half of U.S. vehicle miles traveled are 20 miles per day or less, this car would run on electricity half the time, and its fuel economy would soar to over 500 miles per gallon of gasoline.

The debate about the future of the

Ford assembly plant in St. Paul is the perfect opportunity to debate how Minnesota can take the lead. Gov. Tim Pawlenty should be applauded for sparking that debate by flying to Detroit on Jan. 4 to make his case to Ford Motor Co. that Minnesota's edge on biofuels and E-85 gas stations beckons Ford to develop the car of the future here.

But running inefficient cars on biofuels is not an energy independence solution, either. The cars of the future must be highly efficient, with batteries that can be recharged from the electric grid. With cars getting 500 or 700 miles per gallon, we can concentrate on modern and innovative ways to produce even more electricity without global warming pollution.

Twenty-first century realities require that we act. The close call at the Abqaiq refinery is a graphic reminder of America's need for energy independence. Let's begin the revolution here in Minnesota by passing common sense policies to promote plug-in hybrid electric cars and to rapidly increase the production of renewable electricity. Urge your legislators to support new incentives for these modern, innovative cars and passage of a 20 percent Renewable Electricity Standard.

\*\*\*

Rep. Frank Hornstein, DFL-Minneapolis, is the author of legislation to promote flexible-fuel, plug-in hybrid electric vehicles. Michael Noble, executive director of Minnesotans for an Energy Smart Economy, will speak on "Fuel and the Environment" at Temple Israel in Minneapolis, Friday, March 10 at Temple Israel in Minneapolis.





## Driving Our Way to Energy Independence

David Morris, Vice President

Institute for Local Self-Reliance

**Imagine** driving a car without consuming petroleum, or generating pollution, or noise.

**Imagine** getting the equivalent of 100-150 miles per gallon.

**Imagine** that every time you drove, you pumped money into the local economy, rather than send it to distant shores.

**Imagine** that transportation were the driving force, both literally and figuratively, behind a beneficial restructuring of both agriculture and electric power.

Farfetched dreams? Not at all. The building blocks already are in place. What is needed now are policies that build a structure that makes the imagined a reality.

The principal building block is the hybrid car. Introduced in the U.S. only in 2000, it has become a bestseller. More than 200,000 ply U.S. roads. But existing hybrids suffer a major limitation. They can't be plugged in. Thus they are glorified internal combustion engine vehicles, with a motor assist.

Today's hybrids travel very short distances on electricity. GM and Honda's hybrids aren't designed to operate solely on electricity at all. A Toyota Prius or a Ford Escape can, and can be converted to allow the electricity system to recharge their batteries. An expanded battery pack can allow plug-in vehicles to travel 20-50 miles on a single charge, farther than the average Minnesota drives each day.

Unlike an existing hybrid, a plug-in hybrid is an electric vehicle with an engine backup. Electric vehicles (EVs) boast many advantages. They are quiet and non-polluting. Even taking into account increased power plant emissions, EVs still reduce emissions compared to gasoline-powered vehicles. EVs get the equivalent of over 100 miles per gallon, twice the mileage of the best existing hybrid.

The Achilles Heel of the EV has been the cost and performance limitations of batteries. A plug-in hybrid overcomes that limitation by having a backup engine.

The flexible fueled engine is the other building block toward energy independence. More than 4 million existing vehicles can operate on any combination of ethanol and gasoline. The additional cost to manufacture such a vehicle is about \$100.

The Achilles Heel of biofuels is the limited amount of plant matter available, enough on a world wide basis to displace only a modest fraction of the fuels consumed by currently engineered cars and trucks. A plug-in hybrid overcomes this limitation by being powered primarily by electricity, cutting by as much as 85 percent the fuel needed for the engine and thus enabling biofuels to become a primary fuel rather than an additive.

With the introduction of plug-ins, the transportation and electricity sectors begin to merge. Utilities may offer EV owners the option of recharging their batteries at a lower cost at night, when demand is low. No new power plants would be needed.

Hundreds of thousands of plug-ins could establish a vast new electrical storage capacity, which in turn could encourage a vast increase in the use of wind power. Wind is an intermittent power source, but with sufficient storage, it can become firm power.

One can even imagine tens of thousands of very small wind turbines sprouting up across Minnesota to fuel the household's vehicles. Consider the arithmetic.

Today owners of large wind turbines get paid about 4 cents per kWh when they export the wind energy to distant buyers. A farmer using wind power for internal use displaces retail electricity priced at 5-8 cents per kWh. But the value of electricity that displaces gasoline is about 32 cents per kWh. A household that can generate electricity at less than 32 cents per kWh can make money.

With plug-ins, each vehicle becomes a small power plant, capable of delivering electricity to the grid system. Some studies estimate utilities might pay the EV owner \$1000-\$2000 a year to use the EV's generator to maintain the grid system.

How futuristic are plug-in, flexible fueled vehicles? Ford has introduced the first flexible fueled hybrid. Daimler Chrysler has about 100 plug-in vehicles on the road. Most interesting, perhaps, is the recent announcement by a Canadian company of a plug-in conversion kit for Prius and Escape owners. The company has informed me that an order of 1,000 kits would cut the price in half (to \$4-5,000). At such a price, payback could be less than 7 years. And the costs will undoubtedly continue to decline.

A bill that reflects the plug-in, flexible fuel strategy has been introduced in the Minnesota legislature. Let's hope it sparks a vigorous debate about how we can make our dreams of energy independence come true.



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## EDITORIAL DESK

# 100-M.P.G. Cars: It's a Start

By NICHOLAS D. KRISTOF (NYT) 813 words

Published: February 5, 2006

Imagine if we could develop a passenger car that averaged more than 100 miles per gallon -- or, if used only for short trips, 1,000 miles per gallon. What if it could cost the equivalent of only 75 cents a gallon to operate and needed to go to a filling station only every other month?

Surprise -- we have all that technology today! We even have a handful of demonstration vehicles to prove it. All we lack is bold political and corporate leadership to put this technology in play immediately.

These vehicles underscore that if President Bush is serious about curbing our addiction to oil, there's plenty more that he could do -- right now. There's no need for vague, long-term initiatives that are welcome but smack of procrastination.

The cars I'm talking about are known as "plug-in hybrids." They are similar to hybrids like the Toyota Prius, but they have bigger batteries and at night would be plugged into a standard 120-volt outlet to charge the batteries.

They can be built to have a 30- to 50-mile range before the gasoline engine needs to be used at all. So for someone who commutes 15 miles each way to work and rarely takes long drives, a plug-in hybrid usually functions as an electric vehicle and relies on gas only on rare occasions.

"If you used it only locally, you would go to a gas station only a couple of times a year," said Felix Kramer, founder of CalCars.org, a nonprofit in Palo Alto, Calif., that converted a regular Prius to a plug-in hybrid. "This can be done right now. That's why people are so excited."

Estimates of gas mileage with a plug-in tend to be 100 miles per gallon and up, but these estimates depend on how the vehicle is used. People who only putter around their neighborhood could go thousands of miles on a gallon of gas -- and a supply of household current.

Eventually, instead, maybe we'll be driving hydrogen fuel cell vehicles. A few years ago, I drove a General Motors hydrogen prototype on an Arizona test track, and it was capable of speeds of up to 100 miles per hour, handled well, was whisper-quiet and emitted only water vapor for exhaust. On the other hand, it also cost \$5 million to make.

In contrast, plug-in hybrids are economically and technically feasible today. While the batteries still

aren't perfect, supporters say that plug-in hybrids can be mass-produced today for only about \$3,000 more than a conventional hybrid (which already costs \$3,000 more than a regular auto). Skeptics say that the additional cost might be greater, up to \$15,000 more than a regular gas car -- but even that might find a market among car buyers seeking the Hot New Thing.

The higher sticker price is compensated for by lower operating costs, with power from the electrical grid. Indeed, if it recharged at night when rates drop, a plug-in hybrid could be run for the equivalent of 75 cents a gallon or less.

Another advantage is that plug-ins fit easily into the existing infrastructure, unlike cars fueled by hydrogen. At least at home, the infrastructure is as simple as an extension cord.

"None of this requires a Manhattan Project," notes James Woolsey, the former C.I.A. director, an ardent fan of plug-in hybrids to achieve greater energy autonomy and stop subsidizing extremism and dictatorships in the Middle East. Now, he says, government incentives are needed so that auto companies take the financial risk of producing plug-in hybrids.

Mr. Woolsey has a vision that starts with plug-in hybrids averaging, say, 125 miles per gallon. Then he would like to see them made of lightweight carbon (like Formula One racers), which would save enough weight to double mileage -- taking the vehicle up to 250 miles per gallon.

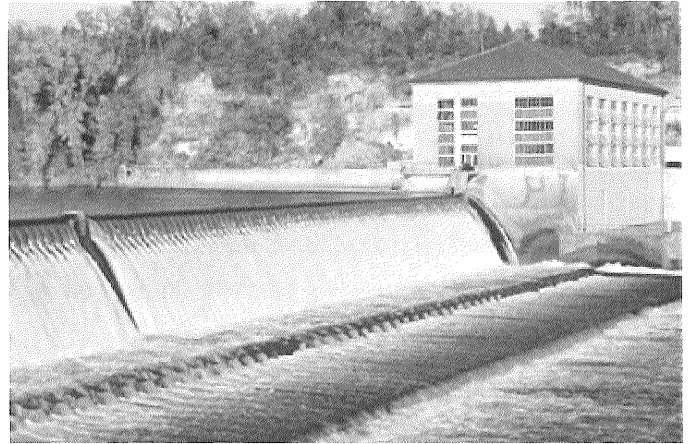
Then make that plug-in a flex-fuel vehicle that burns E85 (which is 85 percent ethanol and only 15 percent petroleum), and it will go four times as far for each gallon of petroleum. That's 1,000 miles per gallon with existing (albeit not always very economical) technology.

Will everything work so smoothly? No, of course not. But even if only one-fifth of this dream were achievable, the result would still be 200 m.p.g. cars -- and more energy security and less global warming.

The Bush administration is backing the technologies that go into plug-in hybrids, but languorously. Instead, the U.S. should promise to order 50,000 fleet vehicles of the first viable plug-in hybrid -- that would be just the stimulus the carmakers need.

Mr. Bush was forthright in acknowledging America's oil addiction, but he sometimes sounded like an addict who declares he's going to quit "tomorrow." Let's start now.

## Ten Reasons Why Ford's Saint Paul Plant Should Produce a Plug-in, Flexible Fueled Vehicle



### 1. Ford is publicly committed to putting innovation first.

On September 21, 2005, Bill Ford announced, "From this point forward, innovation will be the compass by which the company sets its direction. Today, I am renewing the promise of Ford Motor Company - to again be first in delivering innovative products to our customers - stylish in design, safer for families, first in technology that uses new materials and offers new services to consumers."

As part of that innovation initiative, Ford has made a firm commitment to a major expansion in both hybrid vehicles and flexible fueled vehicles. It recently announced the introduction of the first flexible fueled hybrid (Escape).

### 2. The Ranger has been sold as an all-electric vehicle and as a flexible fueled vehicle.

### 3. Ford hybrids rely on Toyota's design, which allows the vehicle to run solely on electricity and therefore makes it possible to recharge the batteries from the electric network.

A section of Ford's web site explains, "Why all hybrid vehicles are not created equal." "There are two basic kinds of hybrid vehicles: full and mild. Full hybrids have the capability to run solely in electric mode, while a mild hybrid always requires power from the internal combustion engine." GM and Honda's hybrid technologies do not easily allow electric only driving or grid connection.

### 4. Today's hybrids are essentially internal combustion engine driven cars with a motor assist. Plug-ins are essentially electric vehicles with an internal combustion engine backup. An electric vehicle is more environmentally benign and significantly reduces operating costs.

The Toyota Prius has a button on the dashboard that allows the driver to disable the engine cut-in at low speeds, which allows the car to drive a mile or two on electricity. This is available in Japanese markets but not in the U.S. However, entrepreneurs have made use of this device to make a Toyota Prius a plug-in. Toyota has received an enormous number of comments from its closely watched Prius on-line group that they want plug-in capacity. It is highly likely that Toyota is working on plug-ins.

A Canadian company recently announced that it is selling to fleet owners a converted Escape or Prius that can travel 20-40 miles solely on electricity.

### 5. Hybrid cars without plug-in capability are best sellers today. It is still unclear how large a market they will capture.

The premium charged for a hybrid rarely repays itself through fuel savings before the car is sold to a new owner. People have proven willing to pay a steep premium to buy a one-of-a-kind car, like a Prius for its "look-at-me" factor.

It is unclear how many will be willing to pay a high premium for a car identical to a lower cost vehicle simply because it's a hybrid (e.g. the hybrid Honda Accord or the hybrid Ford Escape).

Hybrid owners rarely achieve the mileage claimed by car manufacturers. The EPA is changing the way it determines gas mileage. When EPA makes the change, the fuel advantage of hybrids over existing cars will shrink, perhaps considerably.

**6. All-electric vehicles are competitive with internal combustion engine vehicles in almost every category (pollution, noise, operating costs, propulsion, maintenance costs).**

The Achilles heel of all-electric cars has been the cost of batteries and their limited driving range. The hybrid eliminates these disadvantages. The backup engine allows a significantly reduced battery size because, if the batteries run low, the engine can propel the vehicle.



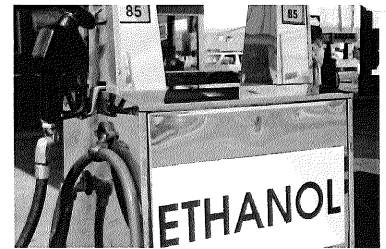
**7. While plug-in hybrids will have a cost premium, the payback from fuel savings and maintenance cost reductions can be rapid.**

The fuel cost of driving an internal combustion engine car is about 10 cents a mile. The fuel cost of driving on electricity is 1-2 cents per mile, resulting in potential savings of \$600 a year or more.

Plug-ins should also require fewer oil changes and far less in maintenance, saving hundreds of dollars more per year.

**8. The electricity for plug-in hybrids can come from renewable electricity while the fuel for the backup engine also comes from renewable resources.**

**9. Flexible fueled engines are increasingly popular, especially as the number of E85 pumps expands. There is insufficient biomass available to allow more than a modest fraction of today's internal combustion vehicles to run on high ethanol blends. But a plug-in hybrid will use electricity as its primary fuel.**



By dramatically reducing the amount of engine fuel needed, the plug-in will allow biofuels to become a primary fuel rather than simply a fuel additive.

Sufficient biomass exists in the U.S. to displace petroleum completely if all vehicles were plug-in hybrids with flexible fueled engines.

**10. Saint Paul is an ideal site for the production of a plug-in, flexible fueled vehicle.**

The Saint Paul facility is more than 100 percent powered by hydroelectricity from its own facility, exporting a significant quantity to its surrounding neighborhoods. That electricity could eventually fuel plug-ins.

Minnesota is recognized as the home of the biofuels and bioproducts revolution. Minnesota has by far the country's largest network of E85 fueling stations and has made a commitment to E85.

Minnesota has an auto parts supply sector, but its strength lies in its electricity and electronics parts sector and in its emerging bioproducts sector. Cargill's subsidiary, Natureworks, already produces a plastic that can be used in car bodies. Toyota is using it for that purpose. 3M could also produce bioplastics for use in cars.

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## Commentary: Before long, a vehicle that solves problems?

The plug-in hybrid runs clean and cheap -- using systems already on the road.

### David Morris

I imagine driving a car without consuming petroleum, or generating pollution, or making noise. Imagine getting the equivalent of 100 to 150 miles per gallon. Imagine that every time you drove, you pumped money into the local economy, rather than sending it to distant shores. Imagine that this car was not only ideal personal transportation but also a driving force, quite literally, for transforming both agriculture and electric-power generation in ways that benefited farmers and urban dwellers alike. Farfetched dreams? Not at all. All of the necessary technologies have been developed and road-tested in the battery-powered car, the hybrid gas-electric car, the flexible-fuel car. All that's needed is to combine these approaches in a single vehicle that merges their advantages and eliminates their shortcomings. And Minnesota is uniquely well-positioned to help make this a reality. The hybrid car, introduced in the United States only in 2000, is already a bestseller. More than 200,000 hybrid cars ply U.S. roads. But they suffer one major limitation: They can't go more than a mile or two on electricity alone. (Indeed, GM and Honda hybrids can't go anywhere without the gasoline engine running.) This makes them glorified gasoline-powered vehicles, with an electric motor assist. But a Toyota Prius or a Ford Escape can be fitted with an expanded battery pack, rechargeable from a household outlet, that would let it travel 20 to 50 miles between chargings. That is farther than many Minnesotans drive every day; for those in the Twin Cities area the daily average is about 25 miles. Driving on electric power has many benefits. Electric vehicles, or EVs, are quiet and non-polluting. Even taking into account increased power plant emissions, EVs still produce less pollution than gasoline-powered vehicles. And EVs are remarkably efficient, achieving the equivalent of over 100 miles per gallon -- twice the mileage of the best existing hybrid.

Of course, the Achilles heel of the EVs has been the cost and performance limitations of its batteries; sooner or later, most motorists want to go more than 50 miles without stopping to recharge.

A plug-in hybrid overcomes that limitation by having a backup engine -- but instead of the gasoline engines used today, it could easily be a flexible-fuel engine of the type now powering more than 4 million vehicles on U.S. roads. These engines operate on any combination of ethanol and gasoline, and the additional cost to manufacture one has fallen to about \$100.

But ethanol derived from corn or other biomass also has its Achilles heel. Current U.S. gasoline and diesel consumption is far too high to replace with plant-derived fuels. Planting all available agricultural acres in the country with fast-growing trees or switchgrass could generate only enough fuel to displace about 25 percent of current vehicle consumption.

Plug-in hybrids, however, overcome this biomass limitation by using electric power to reduce fuel consumption by as much as 85 percent. This lets biofuels become primary fuels rather than minor additives.

With the introduction of plug-ins, the transportation and electricity sectors begin to merge. Utilities would probably offer EV owners the option of recharging their batteries at a lower cost at night, when demand is low. No new power plants would be needed.

Indeed, widespread use of plug-in hybrids could address the principal disadvantage of wind turbines to generate electricity -- the absence, so far, of an efficient way to store the power until it is needed. Wind is an intermittent power source, making voltage only when the turbines are spinning. But utilities need to dispatch electricity when their customers demand it.

The batteries in thousands of plug-in hybrids, connected to the grid through two-way household outlets, could bridge this gap between generation and delivery. Indeed, some studies estimate utilities might pay EV owners \$1,000 to \$2,000 a year for using their batteries to help balance and stabilize the grid. (That's in addition to saving perhaps \$600 a year at the gas pump.)

One can even imagine tens of thousands of very small wind turbines sprouting up at homes across Minnesota, built primarily to fuel vehicles. Consider the arithmetic: Today, owners of large wind turbines get paid about 4 cents per kilowatt-hour (kWh) when they send the electricity over the grid to distant buyers. A farmer making wind power for his own use displaces retail electricity priced at 5 to 8 cents per kWh. But if that electricity is used in a plug-in hybrid, displacing gasoline, it is worth about 32 cents per kWh.

How futuristic are plug-in, flexible-fuel vehicles? Ford has introduced the first flex-fuel hybrid. Daimler Chrysler has about 100 plug-in vehicles on the road. Most interesting, perhaps, is the recent announcement by several companies of a plug-in conversion kit for Prius and Escape owners. One Canadian company has informed me that an order of 1,000 kits would cut the price in half (to between \$4,000 and \$5,000). At such a price, payback could come in less than seven years. And the costs will undoubtedly continue to decline.

Minnesota has several advantages that could make it a leader in advancing these vehicles: An established ethanol industry, abundant wind power, plenty of gas stations selling E85 (half the national total, in fact), a top-notch automotive engineering program at Minnesota State University, Mankato. Not to mention the Ford Motor Co.'s St. Paul plant, now facing an uncertain future; it once made an all-electric pickup truck, as well as a flex-fuel pickup. In the future, it could make plug-in, flex-fuel hybrids on assembly lines powered by its own hydroelectric turbines.

These factors are reflected in a bill, introduced last month in the Minnesota House, that embodies the essence of the plug-in, flexible-fuel strategy. I hope it opens a vigorous discussion of how that strategy could make our dreams of energy independence come true.

David Morris, Minneapolis, is vice president of the Institute for Local Self-Reliance and author of "A Better Way to Get From Here to There." He is at [dmorris@ilsr.org](mailto:dmorris@ilsr.org).

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# Editorials

Editorials represent the institutional voice of the Star Tribune. They are researched and written by the Editorial Department, which is independent of the newsroom.

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## Cars of the future deserve state backing

• Modest steps could hasten arrival of plug-in hybrids.

Thirty years of engineering advances have made the standard automobile much more fuel-efficient and far less polluting. But this progress has been steadily eroded by consumer behavior — we drive more miles each year, in ever-larger vehicles — and, anyway, the gasoline engine's fundamental problems endure. Even the best waste energy, foul the air, accelerate global warming and shackle the nation's security, as well as its economy, to imported oil.

Until quite recently the only true alternative appeared to be the hydrogen-powered car, a revolutionary technology whose predicted arrival kept retreating farther into the future. Now it seems possible that a comparable breakthrough is just around the corner: a practical, affordable, high-performing car that runs on rechargeable batteries, home-grown biofuel and perhaps a dollop of gasoline.

As David Morris details on the cover of this section, the plug-in, hybrid, flexible-fuel car combines three familiar, road-tested technologies in a way that melds their advantages and removes their drawbacks. Like the all-electric car, it could go up to 50 miles — more than most people travel in an average day — on an overnight charge from a household outlet. Beyond that range, it would automatically switch to the high-mileage hybrid drive made popular by the gas/electric Toyota Prius, but could go the Prius one better by burning fuel that's up to 85 percent ethanol.

Prototypes have been getting their own road tests since about 1990, when the first version was built at the University of California-Davis. What may have seemed a cool but quirky idea back then has gained credence in parallel with rising oil prices and grow-

ing worry over supply disruptions. A chief proponent is James Woolsey, the former CIA director, who said recently, "The combination of 9/11 and \$60-a-barrel oil is something that has changed a lot of people's mentality on this. This is a parade the participants are forming."

Those participants include a couple of dozen city and county governments, and more than 100 public power utilities, that helped found the Plug-In Partners campaign. Nine of those utilities are in Minnesota, whose wind power and ethanol resources make these vehicles even more attractive. In Texas, where wind power is expanding rapidly, Austin is trying to recruit 50 cities to join in jump-starting a market for the new vehicles by committing to buy them for municipal fleets, and providing purchase incentives to businesses and individuals.

In Minnesota, the House is considering a bill that commits state agencies to buying comparably priced plug-in hybrid cars, trucks and vans for state fleets whenever practicable. It also grants \$100,000 to the automotive engineering program at Minnesota State University, Mankato for a demonstration project on converting existing vehicles to plug-in hybrids.

A Senate bill seeks strategies for promoting widespread purchase of plug-ins by private buyers, as well as the state, and for integrating the vehicles into the power grid. It would also explore possible incentives for building them at the Ford plant in St. Paul.

That last idea is a potent reminder that this new technology can provide horsepower for Minnesota's industries as well as its motorists. The plug-in parade is one we ought to join, beginning with these modest steps.



A bill for an act

relating to economic development; establishing flexible-fuel vehicle targets; establishing a plug-in hybrid electric vehicle task force; requiring a public utilities commission proceeding; requiring an independent study; proposing coding for new law in Minnesota Statutes, chapter 80E.

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

Section 1. [80E.35] FLEXIBLE-FUEL VEHICLE TARGETS.

Subdivision 1. Findings. The legislature finds that it is in the interest of all Minnesotans to lessen dependence on oil as an energy source for economic, security, and environmental reasons. Minnesota leads the nation in the production and use of ethanol in motor vehicles, but this strategy can be made more effective by increasing the proportion of vehicles that can use alternative fuels, such as E85. Further, manufacturers can produce flexible-fuel vehicles at a minimal incremental cost above gasoline-only vehicles. As a result, the legislature finds that Minnesota would benefit from more choices of flexible-fuel vehicles.

Subd. 2. Definitions. (a) As used in this section, "flexible-fuel vehicle" means a motor vehicle that operates on gasoline and one or more alternative fuels.

(b) As used in this section, "alternative fuel" has the meaning given in United States Code, title 42, section 13211(3).

Subd. 3. Target. (a) The targets in this subdivision apply to manufacturers who grant a valid sales and service agreement, franchise, or contract to a dealer in this state.

(b) The following targets refer to the percentage of a manufacturer's new motor vehicles offered for sale in this state that are flexible-fuel vehicles:

(1) 2008: ten percent;

(2) 2009: 15 percent;

- 2.1 (3) 2010: 20 percent;  
2.2 (4) 2011: 25 percent; and  
2.3 (5) 2012: 30 percent.

2.4 **Sec. 2. PLUG-IN HYBRID ELECTRIC VEHICLE TASK FORCE.**

2.5 Subdivision 1. Establishment; membership. The plug-in hybrid electric vehicle  
2.6 task force is established. The task force shall consist of 13 members as follows:

- 2.7 (1) one representative each from Xcel Energy and Great River Energy;  
2.8 (2) one representative each from the Minnesota Department of Commerce, the  
2.9 Minnesota Department of Transportation, and the Minnesota Pollution Control Agency;  
2.10 (3) the director of the Travel Management Division of the Minnesota Department of  
2.11 Administration, or the director's designee;  
2.12 (4) a representative from the University of Minnesota Department of Electrical  
2.13 Engineering;  
2.14 (5) one representative each from Minnesota-based manufacturers of electric  
2.15 batteries, automotive parts, and power electronics;  
2.16 (6) a representative from an environmental advocacy organization active in  
2.17 electricity issues;  
2.18 (7) a representative of United Auto Workers Local 879; and  
2.19 (8) a representative of the Ford Motor Company.

2.20 Subd. 2. Appointment. The chairs of the senate and house of representatives  
2.21 committees with primary jurisdiction over energy policy shall jointly appoint the task  
2.22 force members.

2.23 Subd. 3. Cochairs. The task force shall have two cochairs, one appointed by each  
2.24 of the appointing authorities established in subdivision 2.

2.25 Subd. 4. Charge. (a) The plug-in hybrid electric vehicle task force shall identify  
2.26 barriers to the adoption of plug-in hybrid electric vehicles by state agencies, small  
2.27 and large private fleets, and Minnesota drivers at-large and develop strategies to be  
2.28 implemented over one-, three-, and five-year time frames to overcome those barriers.  
2.29 Included in the analysis should be possible financial incentives to encourage Ford Motor  
2.30 Company to produce plug-in hybrid, flexible-fueled vehicles at its St. Paul plant.

2.31 (b) The task force shall consider and evaluate the data and information presented to  
2.32 it under subdivision 5 in presenting its findings and recommendations.

2.33 Subd. 5. Data and analysis. (a) The commissioner of administration shall analyze  
2.34 and report to the task force the economic impacts of purchasing a sufficient number of  
2.35 plug-in hybrid electric vehicles to comprise ten percent, 25 percent, and 50 percent of the

3.1 state-owned vehicle fleet. The analysis must compare initial purchase and life-cycle costs  
3.2 of plug-in hybrid electric vehicles and current fleet vehicles under several scenarios based  
3.3 on alternative projections of future gasoline prices and prices at which utilities may charge  
3.4 plug-in hybrid electric vehicles to recharge.

3.5 (b) The commissioner of the pollution control agency shall analyze and report to  
3.6 the task force the environmental impacts of purchasing plug-in hybrid electric vehicles  
3.7 for the state-owned vehicle fleet and at penetration rates of ten percent, 25 percent, and  
3.8 50 percent of all motor vehicles registered in this state. The analysis must compare,  
3.9 for plug-in hybrid electric vehicles and current fleet vehicles, air emissions of sulfur  
3.10 dioxide, nitrogen oxides, particulate matter less than 2.5 microns in width, volatile organic  
3.11 compounds, and carbon dioxide.

3.12 Subd. 6. Expenses. Members of the task force are entitled to reimbursement for  
3.13 expenses under section 15.059, subdivision 6.

3.14 Subd. 7. Staff. The state agencies represented on the commission shall provide  
3.15 staff support.

3.16 Subd. 8. Report. The task force shall present its findings and recommendations in a  
3.17 report to the chairs of the senate and house of representatives committees with primary  
3.18 jurisdiction over energy policy and state government operations by April 1, 2007.

3.19 Subd. 9. Definitions. As used in this section, "plug-in hybrid electric vehicles"  
3.20 means a vehicle containing an internal combustion engine that also allows power to  
3.21 be delivered to the drive wheels by a battery-powered electric motor, and that meets  
3.22 applicable federal motor vehicle safety standards. When connected to the electrical grid  
3.23 via an electric outlet, the vehicle must be able to recharge its battery. The vehicle must  
3.24 have the ability to travel at least 30 miles powered substantially by electricity.

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

### 3.26 Sec. 3. PUBLIC UTILITIES COMMISSION PROCEEDING.

3.27 Subdivision 1. Proceeding. The public utilities commission shall open a proceeding  
3.28 to investigate how utilities can best develop the infrastructure to connect plug-in hybrid  
3.29 electric vehicles to the electrical grid and to allow utilities to purchase electricity from  
3.30 plug-in hybrid electric vehicles.

3.31 Subd. 2. Definitions. As used in this section and section 4, "plug-in hybrid electric  
3.32 vehicles" means a vehicle containing an internal combustion engine that also allows  
3.33 power to be delivered to the drive wheels by a battery-powered electric motor, and that  
3.34 meets applicable federal motor vehicle safety standards. When connected to the electrical  
3.35 grid via a two-way electrical outlet, the vehicle must be able to recharge its battery and

4.1 to transfer electricity to a utility. The vehicle must have the ability to travel at least 30  
 4.2 miles powered substantially by electricity.

4.3       Sec. 4. INDEPENDENT STUDY ON PLUG-IN HYBRID ELECTRIC VEHICLE  
 4.4 AND UTILITY ECONOMICS.

4.5       The Public Utilities Commission shall order the utility subject to Minnesota Statutes,  
 4.6 section 216B.1691, subdivision 6, to contract with a firm selected by the commissioner  
 4.7 of commerce for an independent study of:

4.8       (1) the economics of using electricity purchased from plug-in hybrid electric  
 4.9 vehicles to provide to the utility peak power services and ancillary services, including  
 4.10 regulation and spinning reserves; and

4.11       (2) how such purchases may impact the reserve needs for wind-generated electricity  
 4.12 purchased by the utility. The study must examine the economic impacts on plug-in hybrid  
 4.13 electric vehicle owners and utilities of different prices for electricity purchased from  
 4.14 plug-in hybrid electric vehicles and rates for recharging plug-in hybrid electric vehicles,  
 4.15 including time-of-day pricing and substantial discounts for off-peak charging. The study  
 4.16 must be completed by April 1, 2007, and submitted in a report to the chairs of the senate  
 4.17 and house of representatives committees with primary jurisdiction over energy policy. The  
 4.18 costs of the study are recoverable under Minnesota Statutes, section 216B.1645.

**USE AFTER SENATE COMMITTEE DEADLINE (March 28)**

Companion H.F. No. \_\_\_\_\_ now in House \_\_\_\_\_ Committee;

sent there on \_\_\_\_\_, \_\_\_\_\_; **OR** had second reading on \_\_\_\_\_,

**COMMITTEE REPORT - WITH AMENDMENTS**

**Committee on**

S .F. No. 3513

- Resolution
- Re-referred (from another committee)

**Amendments:**

*pg 3, line after line 24 insert ~~Subd~~ Subd 10., Sunset, The task force expires according to Subd. 8"*

**Committee recommendation:**

- And when so amended the bill do pass.
- And when so amended the bill do pass and be placed on the Consent Calendar.
- And when so amended the bill do pass and be re-referred to the Committee on \_\_\_\_\_.

**No recommendation:** And when so amended the bill be

- (re-referred to the Committee on \_\_\_\_\_ OR
- (reported to the Senate).

\_\_\_\_\_, \_\_\_\_\_ (date of committee recommendation)

1.1 Senator Higgins from the Committee on State and Local Government  
1.2 Operations, to which was re-referred

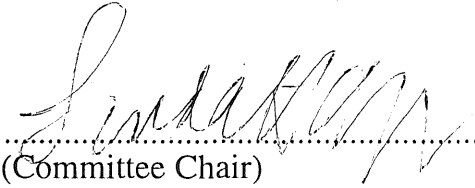
1.5 S.F. No. 3513: A bill for an act relating to economic development; establishing  
1.6 flexible-fuel vehicle targets; establishing a plug-in hybrid electric vehicle task force;  
1.6 requiring a public utilities commission proceeding; requiring an independent study;  
1.6 proposing coding for new law in Minnesota Statutes, chapter 80E.

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

1.8 Page 3, after line 24, insert:

1.9 "Subd. 10. Expiration. The task force expires upon submission of the report  
1.10 required by subdivision 8."

1.11 And when so amended the bill do pass. Amendments adopted. Report adopted.

1.12   
1.13 (Committee Chair)

1.14 April 3, 2006 .....  
1.15 (Date of Committee recommendation)

**Senate Counsel, Research,  
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# Senate

State of Minnesota

## **S.F. No. 2297 - Minnesota Twins Stadium (Delete- everything Amendment - DV0016)**

**Author:** Senator Steve Kelley

**Prepared by:** Daniel P. McGowan, Senate Counsel (651/296-4397)

*DPM*

**Date:** March 31, 2006

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### **Overview**

This bill creates a Minnesota Ballpark Authority with responsibility for construction and operation of a new major league baseball stadium in Minneapolis where the Minnesota Twins would play their home games. The bill sets criteria that must be met in the process, authorizes Hennepin county to issue bonds, and to impose a .15% local option sales tax to provide revenue for payment of debt service on bonds for ballpark construction.

**Section 1 [Members public officials]** provides that members of the Ballpark Authority are public officials for purposes of required filings of statements of financial interest and disclosure of conflicts of interest.

**Section 2 [Building materials exemption]** provides an exemption from sales and use tax for construction materials used in the construction or improvement of the ballpark and related public infrastructure.

**Section 3 [Construction and financing of Major League ballpark]**

**Subdivision 1** provides that the purpose of this act is to provide for the construction, financing and long-term use of a ballpark for major league baseball. Provides that specific performance and injunctive relief are essential remedies for breaches of certain agreements under this bill.

**Subdivision 2** provides for location of the ballpark within a defined development area in Minneapolis.

**Subdivision 3** Defines "authority," "ballpark," ballpark costs, "county," "development area," "public infrastructure," and "team."

#### **Section 4 [Minnesota Ballpark Authority]**

**Subdivision 1** establishes the Minnesota Ballpark Authority as a public body and political subdivision of the state. Provides that the authority is not a joint powers entity or an agency of the county. Provides that the authority may acquire land, enter into contracts, and take all actions necessary or desirable to construct, operate and maintain the ballpark.

**Subdivision 2** provides for the authority to be governed by a five-member commission composed of two gubernatorial appointees, two county appointees and one appointee of the city of Minneapolis. One of the gubernatorial appointees must be from a county other than Hennepin and all other members must be residents of Hennepin County. All members serve at the pleasure of the appointing authority and the chair is one of the two county appointees. Members' compensation is governed by Minnesota Statutes, section 15.0575.

**Subdivision 3** provides that the chair shall preside at all meetings of the commission when present and that the commission may appoint a vice-chair from among its members.

**Subdivision 4** provides that the authority may adopt bylaws relating to its governance and that these bylaws must be similar in form and substance to the bylaws of the Metropolitan Sports Facilities Commission.

**Subdivision 5** requires the authority to establish a web site to provide specified information to the public.

#### **Section 5 [Powers of authority]**

**Subdivision 1** provides that the authority may sue or be sued. The authority is a public body and the ballpark is a public improvement for purposes of a statute allowing public bodies to request that a bond be posted by the plaintiff in the case of a lawsuit that may delay the construction. The authority is a municipality for purposes of a statute limiting the tort liability of municipalities.

**Subdivision 2** provides that the authority may acquire real and personal property for purposes of the bill.

**Subdivision 3** provides that any property of the authority is exempt from ad valorem taxation. Property is subject to special assessments. Exemption does not apply to property leased by the authority for specified purposes.

**Subdivision 4** provides that the authority is subject to the Data Practices Act and the Open Meeting Law.

**Subdivision 5** provides that the authority may manage the ballpark and related facilities developed under this bill.



**Subdivision 6** provides that the authority may sell property no longer needed by it in the same manner as a port authority may sell property with two exceptions.

**Subdivision 7** provides that the authority may employ persons including peace officers and may contract for services.

**Subdivision 8** provides that the authority may accept donations of money, property or services and may enter into grant agreements.

**Subdivision 9** provides that the authority may conduct research, hearings and investigations in connection with its functions

**Subdivision 10** provides that the authority may enter lease and use agreements for facilities under its control, including exclusive use agreements. The lease or use agreement with the team must provide for payment of operating and maintenance costs by the team

**Subdivision 11** provides that the authority may require employees to obtain individual bonds or fidelity insurance and may procure whatever liability or property insurance it deems necessary.

**Subdivision 12** exempts the ballpark project from Metropolitan Council plan review and business subsidy reporting under chapter 116J.994.

**Subdivision 13** requires local governments to act promptly on applications for building permits and certificates of occupancy. The county is the responsible governmental unit for purposes of any environmental impact statement. Governmental units may take certain actions prior to completion of environmental review.

**Subdivision 14** establishes contracting procedures. Requires contracts to include programs for minority hiring.

**Subdivision 15** declares the ballpark to be a permitted land use and limits local government planning and zoning to reasonable land use grounds and criteria that are within their land use planning and zoning authority. Provides for the establishment of a ballpark implementation committee to make recommendations on parking, streets, subways, pedestrian bridges, bike paths, etc. in the ball park area.

## **Section 6 [Criteria and Conditions]**

**Subdivision 1** requires the authority to follow and enforce the criteria in subdivisions 2 to 15, provided that the determination by the authority as to whether the criteria have been met is conclusive.

**Subdivision 2** provides that the team must contribute \$125 million in cash during the construction period towards ballpark costs. The team must also agree to assume and pay all cost overruns, excluding land, site improvements and public infrastructure.

**Subdivision 3** provides that the authority must require a capital improvements reserve fund, to be funded with annual payments of \$600,000 from the team and \$1,400,000 from other sources, indexed for inflation.

**Subdivision 4** provides that the lease or use agreement with the team must include a requirement that the team play all of its regular season and post-season home games in the stadium, and be for a term of at least 30 years. Lease must include terms for default, termination or breach; must require specific performance and injunctive relief; and must not include escape clauses or buyout provisions.

**Subdivision 5** requires notice of defaults under lease or use agreements.

**Subdivision 6** provides that the authority must determine that all necessary funding is committed in writing and that the committed funds are sufficient to design, construct, furnish and equip the ballpark.

**Subdivision 7** provides that the lease or use agreement must contain a right of first refusal from the team to a corporation organized to provide community ownership of the team.

**Subdivision 8** provides that environmental compliance is required.

**Subdivision 9** requires a percentage of the sale price of the team (from 18 percent, declining to zero at the end of ten years) to be paid to the authority. Provides exemptions for certain sales.

**Subdivision 10** requires the authority to seek a provision in the lease or use agreement that would allow the authority access to the team's books and records. Information obtained by the authority under this subdivision is nonpublic data.

**Subdivision 11** provides that lease agreements must provide for affordable access to professional sporting events held in the ballpark.

**Subdivision 12** provides that the authority must use its best efforts to negotiate a no-strike agreement.

**Subdivision 13** provides that the lease must require the team to provide \$250,000 (increased for inflation) annually for youth activities and amateur sports.

**Subdivision 14** provides that the lease must provide that the team and league will transfer to the state the Twins' name, logo, records and related items upon dissolution or relocation of the franchise.

**Subdivision 15** provides that the stadium construction process must, to the extent feasible, follow the sustainable building guideline provisions in Minnesota Statutes, chapter 16B.

**Section 7 [County activities, bonds, taxes]**

**Subdivision 1** provides that the county may authorize grants to the authority for ballpark construction and other related purposes on terms agreed to by the county and the authority. County spending for ballpark costs capped at \$235 million. Grants for capital improvement reserves capped at \$1.4 million annually. No caps on spending for land, site improvements or public infrastructure. Provides for county review of plans, etc. General county authority specified.

**Subdivision 2** provides that the county is authorized to issue revenue bonds for grants to the Ballpark Authority for ballpark and related infrastructure and land acquisition.

**Subdivision 3** authorizes county to impose a .15 percent sales tax within the county. Exempts the sales tax from the referendum requirements for local option sales taxes. Requires the tax to be dedicated for the purposes described in the bill. Provides that the county may, under certain circumstances, continue to impose its sales tax upon transactions that may subsequently be made exempt from the state sales tax.

**Subdivision 4** provides permitted uses for tax revenues.

**Section 8** authorizes the Metropolitan Sports Facilities commission to provide technical, financial, or professional assistance as the county and commission may agree upon, including reimbursement of financial assistance from the bond proceeds.

**Section 9 [Railroad authority conveyance]** requires Hennepin County Railroad Authority to convey land it owns within the development area to the authority without charge at the request of the ballpark authority.

**Section 10 [City requirements]**

**Subdivision 1** requires the city of Minneapolis to vacate a portion of Third Avenue North.

**Subdivision 2** requires the city of Minneapolis to convey land it owns within the development area to the authority without charge.

**Subdivision 3** requires the city of Minneapolis to issue liquor licenses for the premises of the ballpark.

**Subdivision 4** provides that actions taken by Minneapolis under this section not deemed to be an expenditure within the meaning of its city charter.

**Section 11 [Local taxes]** provides that sales or uses of any item are exempt from any additional local sales taxes that are not in effect on the effective date of this bill and except those generally applicable throughout the local government's jurisdiction.

**Section 12[Repealer]** repeals 2003 laws relating to stadium process.

**Section 13[Effective dates]** states that the bill is effective the day following final enactment, except that the local option sales tax is effective upon filing of the county board's resolution with the secretary of state.

DPM:mvm

Senators Kelley; Johnson, D.E.; Day; Higgins and Senjem introduced--  
S.F. No. 2297: Referred to the Committee on State and Local Government Operations.

A bill for an act

relating to state and local government operations;  
providing a process for developing a new baseball  
stadium; establishing a metropolitan stadium  
authority; providing for the membership and powers of  
the authority; authorizing the Metropolitan Council to  
issue bonds; providing powers of the host communities;  
proposing coding for new law in Minnesota Statutes,  
chapter 473; repealing Minnesota Statutes 2004,  
sections 473I.01; 473I.02; 473I.03; 473I.04; 473I.05;  
473I.06; 473I.07; 473I.08; 473I.09; 473I.10; 473I.11;  
473I.12; 473I.13.

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

Section 1. [473.75] [PROCESS FOR NEW STADIUMS.]

Subdivision 1. [PURPOSE.] The purpose of this act is to  
provide a process to result in the location, construction,  
financing, and long-term use of a new stadium for the use of the  
Minnesota Twins.

Subd. 2. [DEFINITIONS.] (a) As used in this act, the  
following terms have the meanings given in this subdivision.

(b) "Host community" means a city or a county or any joint  
powers entity comprised of one or more cities or counties, or  
both, which is organized for the purpose of providing financial  
or other support for one or more stadiums.

(c) "Public infrastructure" means all property and  
facilities determined by the host community to facilitate the  
use of the stadium, including, but not limited to, property and  
facilities for parking, pedestrian needs, transit, skyways,  
lighting, landscaping, utilities, streets, and land acquired and

1 prepared for private redevelopment in a manner related to the  
2 use of the stadium.

3 Subd. 3. [LOCATION.] (a) The stadium must be located in  
4 the metropolitan area as defined in section 473.121, subdivision  
5 2.

6 (b) A city and county may cooperate to host the stadium  
7 under a joint powers agreement under section 471.59 or as  
8 otherwise provided by law.

9 Subd. 4. [MINNESOTA STADIUM AUTHORITY DUTIES.] The  
10 Minnesota Stadium Authority is established to choose sites for  
11 the stadium from proposals submitted by the franchise owner and  
12 the proposed host communities. The authority may consider or  
13 propose other arrangements for sites and terms if the authority  
14 is not satisfied with proposals submitted by the franchise owner  
15 and the proposed host communities. The authority's  
16 determination of sites for the stadium is final. The authority  
17 may enter into contracts for and take all actions necessary or  
18 desirable to select or acquire a site, design, construct,  
19 furnish, equip, and provide for the operation, maintenance, and  
20 improvement of stadium facilities.

21 Sec. 2. [473.751] [MINNESOTA STADIUM AUTHORITY  
22 ORGANIZATION.]

23 Subdivision 1. [COMPOSITION.] (a) The Minnesota Stadium  
24 Authority consists of:

25 (1) six members, appointed by the governor, four from the  
26 following Metropolitan Council districts established by section  
27 473.123: one from districts 1, 2, 3, and 4; one from districts  
28 5, 6, 7, and 8; one from districts 9, 10, 11, and 12; one from  
29 districts 13, 14, 15, and 16; one from northern Greater  
30 Minnesota; and one from southern Greater Minnesota;

31 (2) one member appointed by and serving at the pleasure of  
32 each of the following: the speaker of the house of  
33 representatives; the majority leader of the senate; and the  
34 minority leaders of the house of representatives and the senate;  
35 and

36 (3) a chair appointed by the governor.

1 (b) All members appointed under paragraph (a), clauses (1)  
2 and (3), including the chair, serve at the pleasure of the  
3 governor.

4 (c) All members must be appointed no later than 30 days  
5 after the enactment of this act.

6 Subd. 2. [CHAIR.] The chair shall preside at all meetings  
7 of the commission, if present, and shall perform all other  
8 assigned duties and functions. The commission may appoint from  
9 among its members a vice-chair to act for the chair during the  
10 temporary absence or disability of the chair.

11 Subd. 3. [SUCCESSOR AUTHORITY.] On completion of the  
12 construction of the stadium, the authority must recommend to the  
13 legislature and the governor a reconstituted authority or  
14 authorities to oversee the ongoing maintenance, operation, and  
15 improvements of the stadium. Public entities that provide  
16 substantial financial support to the stadium construction and  
17 operation must receive appropriate representation on any  
18 reconstituted authority.

19 Sec. 3. [473.752] [POWERS OF AUTHORITY.]

20 Subdivision 1. [GENERAL.] The authority has all powers  
21 necessary or convenient to discharge the duties imposed by law,  
22 including those specified in this section.

23 Subd. 2. [ACTIONS.] The authority may sue and be sued, and  
24 is a public body within the meaning of chapter 562.

25 Subd. 3. [ACQUISITION OF PROPERTY.] The authority may  
26 acquire by lease, purchase, gift, or devise all necessary right,  
27 title, and interest in and to real or personal property deemed  
28 necessary to the purposes contemplated by this act.

29 Subd. 4. [EXEMPTION OF PROPERTY.] Any real or personal  
30 property acquired, owned, leased, controlled, used, or occupied  
31 by the authority for any of the purposes of this act is declared  
32 to be acquired, owned, leased, controlled, used, and occupied  
33 for public, governmental, and municipal purposes, and is exempt  
34 from ad valorem taxation by the state or any political  
35 subdivision of the state. The properties are subject to special  
36 assessments levied by a political subdivision for a local

1 improvement in amounts proportionate to and not exceeding the  
2 special benefit received by the properties from the  
3 improvement. No use of any of the properties in any manner  
4 different from their use under this act at the time when the  
5 assessment is levied may be considered in determining the  
6 special benefit received by the properties. All assessments are  
7 subject to final confirmation by the Metropolitan Council, whose  
8 determination of the benefits is conclusive upon the political  
9 subdivision levying the assessment. Notwithstanding section  
10 272.01, subdivision 2, or 273.19, real or personal property  
11 leased by the authority to another person for uses related to  
12 the purposes of this act, including the operation of the stadium  
13 facilities, is exempt from taxation regardless of the length of  
14 the lease. Separate real and personal property used by a team  
15 for training or corporate offices are not exempt.

16 Subd. 5. [FACILITY OPERATION.] The authority may equip,  
17 improve, operate, manage, maintain, and control the sports  
18 facilities constructed, remodeled, or acquired under this act.

19 Subd. 6. [DISPOSITION OF PROPERTY.] The authority may  
20 sell, lease, or otherwise dispose of any real or personal  
21 property acquired by it which is no longer required for  
22 accomplishment of its purposes. The property must be sold in  
23 accordance with the procedures provided by section 469.065,  
24 insofar as practical and consistent with this act.

25 Subd. 7. [EMPLOYEES; CONTRACTS FOR SERVICES.] (a) The  
26 authority may employ persons and contract for services necessary  
27 to carry out its functions.

28 (b) The authority may negotiate an agreement with the  
29 Metropolitan Sports Facilities Commission that would enable  
30 employees of the commission to provide assistance to the  
31 authority to enable it to accomplish the purposes of this act.  
32 The commission must cooperate to the extent feasible.

33 (c) The authority may employ on such terms as it deems  
34 advisable persons or firms to provide traffic officers to direct  
35 traffic on property under the control of the authority and on  
36 the city streets in the general area of the property controlled



1 by the authority. The traffic officers are not peace officers  
2 and do not have authority to make arrests for violations of  
3 traffic rules.

4 Subd. 8. [GIFTS AND GRANTS.] The authority may accept  
5 gifts of money, property, or services, may apply for and accept  
6 grants or loans of money or other property from the United  
7 States, the state, any subdivision of the state, or any person  
8 for any of its purposes, may enter into any agreement required  
9 in connection therewith, and may hold, use, and dispose of such  
10 money, property, or services according to the terms of the gift,  
11 grant, loan, or agreement. In evaluating proposed gifts,  
12 grants, loans, and agreements required in connection therewith,  
13 the authority shall examine the possible short-range and  
14 long-range impact on authority revenues and authority operating  
15 expenditures.

16 Subd. 9. [RESEARCH.] The authority may conduct research  
17 studies and programs, collect and analyze data, prepare reports,  
18 maps, charts, and tables, and conduct all necessary hearings and  
19 investigations in connection with its functions.

20 Subd. 10. [USE AGREEMENTS.] The authority may enter into  
21 agreements and may fix, alter, charge, and collect rentals,  
22 fees, and charges to all persons for the use, occupation, and  
23 availability of part or all of any premises, property, or  
24 facilities under its ownership, operation, or control for  
25 purposes that will provide athletic, educational, cultural,  
26 commercial or other entertainment, instruction, or activity for  
27 the citizens of the metropolitan area and visitors. Any such  
28 use agreement may provide that the other contracting party has  
29 exclusive use of the premises at the times agreed upon.

30 Subd. 11. [INSURANCE.] The authority may require any  
31 employee to obtain and file with it an individual bond or  
32 fidelity insurance policy. It may procure insurance in the  
33 amounts it considers necessary against liability of the  
34 authority or its officers and employees for personal injury or  
35 death and property damage or destruction, with the force and  
36 effect stated in chapter 466, and against risks of damage to or

1 destruction of any of its facilities, equipment, or other  
2 property.

3 Subd. 12. [CREATING A CONDOMINIUM.] The authority may, by  
4 itself or together with any other entity, as to real or personal  
5 property comprising or appurtenant or ancillary to the sports  
6 facilities operated under this act or other law, act as a  
7 declarant and establish a condominium or leasehold condominium  
8 under chapter 515A, or a common interest community or leasehold  
9 common interest community under chapter 515B, and may grant,  
10 establish, create, or join in other or related easements,  
11 agreements, and similar benefits and burdens that the authority  
12 may consider necessary or appropriate, and exercise any and all  
13 rights and privileges and assume obligations under them as a  
14 declarant, unit owner or otherwise, insofar as practical and  
15 consistent with this act. The authority may be a member of an  
16 association and the chair, any commissioners and any officers  
17 and employees of the authority may serve on the board of an  
18 association under chapter 515A or 515B or other law.

19 Subd. 13. [EXEMPTION FROM COUNCIL REVIEW.] The acquisition  
20 and betterment of sports facilities by the authority must be  
21 conducted pursuant to this act and must not be affected by the  
22 provisions of sections 473.165 and 473.173.

23 Sec. 4. [473.753] [CRITERIA AND CONDITIONS.]

24 Subdivision 1. [BINDING AND ENFORCEABLE.] In entering into  
25 contracts and making decisions necessary to complete the stadium  
26 process, the authority must follow and enforce the criteria and  
27 conditions in this section.

28 Subd. 2. [DEVELOPMENT AGREEMENT.] Following selection of a  
29 site, the authority shall negotiate with the host community and  
30 the team that will occupy the stadium concerning the terms and  
31 conditions under which the host community and the team will make  
32 contributions of funds, future revenues, interests in property  
33 for the site and public infrastructure, the method of completing  
34 design and construction, which may include the design-build  
35 process, the terms of the use agreement with the team, the  
36 integration of the stadium and related infrastructure with

1 surrounding development, and other matters relating to the  
2 stadium, its operation, maintenance, and financing. Prior to  
3 execution, the agreement must be reviewed and approved by the  
4 commissioner of finance and the Metropolitan Council as being  
5 consistent with the requirements of this act. Following  
6 execution of the agreement, the authority shall request that the  
7 Metropolitan Council issue bonds under section 473.754 and shall  
8 proceed to carry out the terms of the agreement and its  
9 obligations under this act. In the event the authority does not  
10 reach agreement with the host community and team or if for  
11 environmental or other reasons the chosen site is determined by  
12 the authority to be unsuitable, the authority may select another  
13 site and commence the process again. The authority shall hold  
14 public hearings with respect to site selection and the agreement  
15 with the host community and team.

16 Subd. 3. [TOTAL PUBLIC INVESTMENT TOWARD PROJECT  
17 COSTS.] The authority must set a maximum total public investment  
18 toward project costs for each stadium, including the host  
19 community's revenue contributions.

20 Subd. 4. [TEAM AND FAN CONTRIBUTIONS.] (a) The authority  
21 must set the amount of anticipated contributions from the team  
22 towards the total cost for the stadium. Team contributions may  
23 include, but are not limited to, initial cash contributions,  
24 guaranteed annual payments, assignments of naming rights and  
25 permanent seat licenses, and payments of operating and  
26 maintenance expenses for the team's stadium. The authority may  
27 attempt to structure the team's investment to maximize benefits  
28 both to the public and to the team. In addition to any other  
29 team contribution, the team must assume and pay when due all  
30 cost overruns for its stadium.

31 (b) The authority may negotiate to receive, for transfer to  
32 the Metropolitan Council, fan contributions imposed, assessed,  
33 and collected by the authority and the host communities for  
34 deposit in the stadiums' debt service account. Fan  
35 contributions may include ticket taxes, parking surcharges,  
36 personal seat licenses, private placement bonds, sports cable

1 television surcharges, commemorative stadium stock or bricks,  
2 team license plates, and similar items.

3 (c) The team and fan contributions must be deposited in the  
4 state treasury and are appropriated to the Metropolitan Council  
5 for payment of principal and interest on the revenue bonds  
6 issued under this act and chapter 475.

7 Subd. 5. [SITE SELECTION CRITERIA.] In selecting the site  
8 for the stadium, the authority must consider factors including:

9 (1) tax and other revenues that the host community will  
10 make available to finance the stadium; and

11 (2) the cost of necessary public infrastructure  
12 improvements related to transportation and other services.

13 The authority may consider colocation of the stadium constructed  
14 under this act with existing sports facilities.

15 Subd. 6. [ARCHITECT SELECTION.] The authority must  
16 consider retaining an internationally known architect to design  
17 the stadium to be constructed under this act, providing that it  
18 is feasible under the expenditure limits imposed in this act.

19 Subd. 7. [SUSTAINABLE BUILDING GUIDELINES.] The  
20 construction process used for a stadium constructed under this  
21 act must, to the extent feasible, follow sustainable building  
22 guidelines established under section 16B.325.

23 Subd. 8. [RESERVE FOR CAPITAL IMPROVEMENTS.] The authority  
24 must require that a reserve fund for capital improvements to the  
25 stadium be set up and must negotiate with the team and the host  
26 community's government in order to determine the amount, manner,  
27 and terms of the team's and the host community's contributions  
28 to the fund.

29 Subd. 9. [USE AGREEMENTS.] The authority must negotiate a  
30 long-term use agreement with the team for its use of the  
31 stadium. The team must schedule and play all regular season and  
32 postseason home games at the stadium. Preseason games may also  
33 be scheduled and played at the stadium. The use agreements must  
34 be for a term of at least 30 years. The use agreements must  
35 include terms for default, termination, and breach of the  
36 agreement. The use agreements must require specific performance

1 and must not include escape clauses or buyout provisions.

2 Subd. 10. [GUARANTEE OF PAYMENT OF ALL OBLIGATIONS.] The  
3 authority must ensure that a guarantee of payment of each  
4 obligation due under the use agreement is in place at the time  
5 of execution of the obligation in a form satisfactory to the  
6 authority. The guarantee may be in the form of a letter of  
7 credit, personal guarantees, or other surety as determined by  
8 the authority.

9 Subd. 11. [LEAGUE AGREEMENT.] The authority must execute  
10 an agreement with professional major league baseball that  
11 guarantees the continuance of the franchise in the metropolitan  
12 area for the period of the agreements referred to in subdivision  
13 8.

14 Subd. 12. [ENFORCEABLE FINANCIAL COMMITMENTS.] The  
15 authority must determine before construction begins that all  
16 public and private funding sources for construction and  
17 operation of the stadium are committed in writing and  
18 enforceable. The committed funds must be adequate to site,  
19 design, construct, furnish, equip, and service the facilities'  
20 debt, as well as to pay for the ongoing operation and  
21 maintenance of the baseball facilities.

22 Subd. 13. [COMMUNITY OWNERSHIP OPTION.] (a) The lease or  
23 use agreement for the baseball facility must provide that if the  
24 owner of the baseball franchise seeks to sell the franchise  
25 during the term of the agreement, the franchise must first be  
26 offered for sale to the entity formed in compliance with  
27 paragraph (b). The offer to sell the franchise to this entity  
28 must remain open for at least one year. The amounts that would  
29 otherwise be returned to the public under subdivision 12 may be  
30 used by an entity created under paragraph (b) to offset the cost  
31 of acquiring the baseball franchise.

32 (b) The governor and the Metropolitan Sports Facilities  
33 Commission must attempt to facilitate the formation of a  
34 corporation to acquire the baseball franchise and to identify an  
35 individual private managing owner of the corporation. The  
36 corporation formed to acquire the franchise shall have a capital

1 structure in compliance with all of the following provisions:

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

6 (2) the private managing owner must own no less than 25  
7 percent and no more than 35 percent of the common stock. For  
8 purposes of this restriction, shares of common stock owned by  
9 the private managing owner include shares of common stock owned  
10 by any related taxpayer as defined in section 1313(c) of the  
11 Internal Revenue Code of 1986, as amended. Other than the  
12 rights of all other holders of common stock and preferred stock  
13 with respect to relocation of the franchise or voluntary  
14 contraction, the private managing owner must control all aspects  
15 of the operation of the corporation;

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

19 (4) at least 50 percent of the ownership of the common  
20 stock must be sold to members of the general public in a general  
21 solicitation and no person or entity must own more than one  
22 percent of common stock of the corporation; and

23 (5) the articles of incorporation, bylaws, and other  
24 governing documents must provide that the franchise may not move  
25 outside of the state or agree to voluntary contraction without  
26 approval of at least 75 percent of the shares of common stock  
27 and at least 75 percent of the shares of preferred stock.  
28 Notwithstanding any law to the contrary, these 75 percent  
29 approval requirements shall not be amended by the shareholders  
30 or by any other means.

31 (c) Except as specifically provided by this act, no state  
32 agency may spend money from any state fund for the purpose of  
33 generating revenue under this subdivision or for the purpose of  
34 providing operating support or defraying operating losses of a  
35 professional baseball franchise.

36 Subd. 14. [ENVIRONMENTAL REQUIREMENTS.] The authority must

1 ensure compliance with all environmental requirements imposed by  
2 regulatory agencies for the stadium, site, and structure.

3 Subd. 15. [PUBLIC INFRASTRUCTURE.] The authority must  
4 ensure that all necessary and reasonably appropriate public  
5 infrastructure is financed and constructed by the time of  
6 completion of the baseball facilities.

7 Subd. 16. [PRICE, COMPLETION DATE, PERFORMANCE, PAYMENT  
8 BONDS.] Before construction begins for the stadium, the  
9 authority must have executed contracts certifying construction  
10 price and completion date that include performance and payment  
11 bonds that cover any costs over the certified price for the  
12 facility. All contracts related to construction of the stadium  
13 must require payment of the prevailing wage rate as defined in  
14 section 177.42 to all construction workers.

15 Subd. 17. [PUBLIC SHARE OF VALUE ADDED BY STADIUM UPON  
16 SALE.] The authority must include a provision in the use  
17 agreement that provides that if the franchise is sold during the  
18 period beginning January 1, 2006, and ending 20 years after the  
19 date the stadium is initially occupied by the team, a portion of  
20 the sale price must be paid to the Metropolitan Council for  
21 deposit in a reserve fund for early retirement of debt related  
22 to the stadium. If the team is sold at any time between June 1,  
23 2006, and the date that is five years after the team's initial  
24 occupancy of the stadium, the amount to be paid under this  
25 subdivision is 15 percent of the total value of all compensation  
26 paid to purchase the team. For each 12-month period after that  
27 date before the team is sold, the 15-percent factor is reduced  
28 by one percentage point.

29 Subd. 18. [FINANCE COMMISSIONER APPROVAL.] The  
30 commissioner of finance must approve the financing documents and  
31 the use agreement before they are final.

32 Subd. 19. [USE FOR AMATEUR SPORTS.] The authority must  
33 ensure that the use agreements for the stadium provide for a  
34 reasonable amount of use for amateur sports.

35 Subd. 20. [AFFORDABLE ACCESS.] The authority must ensure  
36 that the use agreements provide for affordable access to the

1 professional sporting events held in the facilities.

2 Subd. 21. [USE OF BOND PROCEEDS.] The authority must  
3 ensure and confirm to the Metropolitan Council that all bond  
4 proceeds from bonds authorized by this act must be used to site,  
5 design, construct, or furnish the facilities.

6 Subd. 22. [NO STRIKES.] The authority must negotiate an  
7 agreement to prevent strikes that would halt, delay, or impede  
8 construction of the baseball facilities.

9 Sec. 5. [473.754] [SECURITY.]

10 Subdivision 1. [BONDS.] The Metropolitan Council, on  
11 behalf of the Minnesota Stadium Authority, may by resolution  
12 authorize the sale and issuance of its bonds for any or all of  
13 the following purposes:

14 (1) to provide funds to predesign, design, construct,  
15 furnish, equip, and otherwise better the sports facility owned  
16 or to be owned by the authority pursuant to this act;

17 (2) to refund bonds issued hereunder; and

18 (3) to fund judgments entered by any court against the  
19 authority or against the council in matters relating to the  
20 authority's functions related to the sports facilities.

21 Subd. 2. [PROCEDURE.] The bonds shall be sold, issued, and  
22 secured in the manner provided in chapter 475, for bonds payable  
23 solely from revenues, except as otherwise provided in this act,  
24 and the council shall have the same powers and duties as a  
25 municipality and its governing body in issuing bonds under that  
26 chapter. The bonds may be sold at any price and at public or  
27 private sale as determined by the council. They shall be  
28 payable solely from tax and other revenues referred to in this  
29 act. The bonds shall not be a general obligation or debt of the  
30 council or of the authority, and shall not be included in the  
31 net debt of any city, county, or other subdivision of the state  
32 for the purpose of any net debt limitation. No election shall  
33 be required.

34 Subd. 3. [LIMITATIONS.] The principal amount of the bonds  
35 issued pursuant to subdivision 1, clause (1), shall not exceed  
36 the amounts authorized in this subdivision. The principal



1 amount of bonds issued pursuant to subdivision 1, clause (1),  
2 shall be limited to \$..... The council shall issue its bonds  
3 and construction of sports facilities may commence when the  
4 council has made the following determinations:

5 (a) the authority has executed long-term use agreements  
6 with the team for its use of the stadium, as provided in section  
7 473.753, subdivision 9;

8 (b) the proceeds of bonds provided for in this subdivision  
9 will be sufficient, together with other capital funds that may  
10 be available to the authority for expenditures on the sports  
11 facilities, to carry out the projects for which the proceeds  
12 were intended as proposed by the authority, including the  
13 appropriate professional fees and charges but excluding, except  
14 as otherwise provided in this subdivision, the acquisition,  
15 clearance, relocation, and legal costs referred to in paragraphs  
16 (c) and (d);

17 (c) the authority has acquired, without cost to the  
18 authority or the council except as provided in this subdivision,  
19 title to all real property including all easements, air rights,  
20 and other appurtenances needed for the construction and  
21 operation of the stadium facility or has received a grant of  
22 funds or has entered into agreements sufficient in the judgment  
23 of the council to assure the receipt of funds, at the time and  
24 in the amount required, to make any payment upon which the  
25 authority's acquisition of title and possession of the real  
26 property is conditioned;

27 (d) the authority has received a grant of funds or entered  
28 into agreements sufficient in the judgment of the council to  
29 assure the receipt of funds, at the time and in the amount  
30 required, to pay all costs, except as provided in this  
31 subdivision, of clearing the real property needed for the  
32 construction and operation of all sports facilities, railroad  
33 tracks, and other structures, including, without limitation, all  
34 relocation costs, all utility relocation costs, and all legal  
35 costs;

36 (e) the authority has executed agreements to prevent

1 strikes that would halt, delay, or impede construction of the  
2 baseball facility;

3 (f) the authority has executed agreements that will provide  
4 for the construction of the sports facility for a certified  
5 construction price and completion date and which include  
6 performance bonds in an amount at least equal to 100 percent of  
7 the certified price to cover any costs that may be incurred over  
8 and above the certified price, including but not limited to  
9 costs incurred by the authority or loss of revenues resulting  
10 from incomplete construction on the completion date;

11 (g) the anticipated revenue from the operation of the  
12 sports facility plus any additional available revenue of the  
13 authority will be an amount sufficient to pay when due all debt  
14 service plus all administration, operating, and maintenance  
15 expenses; and

16 (h) the validity of any bonds issued under subdivision 1,  
17 clause (1), and the obligations of the council and authority  
18 related to them, shall not be conditioned upon or impaired by  
19 the council's determinations made pursuant to this subdivision.  
20 For purposes of issuing the bonds the determinations made by the  
21 council shall be deemed conclusive, and the council shall be and  
22 remain obligated for the security and payment of the bonds  
23 irrespective of determinations that may be erroneous,  
24 inaccurate, or otherwise mistaken.

25 Subd. 4. [SECURITY.] To the extent and in the manner  
26 provided in this act, the taxes described in this act, the tax  
27 and other revenues of the authority described in this act, and  
28 any other revenues of the authority attributable to the sports  
29 facility, including the team's and host community's  
30 contributions, shall be and remain pledged and appropriated to  
31 the authority or to the Metropolitan Council, as appropriate for  
32 the payment of all necessary and reasonable expenses of the  
33 operation, administration, maintenance, and debt service of the  
34 sports facility until all bonds and certificates issued pursuant  
35 to this section are fully paid or discharged in accordance with  
36 law. Bonds issued pursuant to this section may be secured by a

1 bond resolution, or by a trust indenture entered into by the  
2 council with a corporate trustee within or outside the state,  
3 which shall define the tax, team, and fan contributions, and  
4 other sports facility revenues pledged for the payment and  
5 security of the bonds. The pledge shall be a valid charge on  
6 the tax and other revenues referred to in this act from the date  
7 when bonds are first issued or secured under the resolution or  
8 indenture and shall secure the payment of principal and interest  
9 and redemption premiums when due and the maintenance at all  
10 times of a reserve securing such payments. No mortgage of or  
11 security interest in any tangible real or personal property  
12 shall be granted to the bondholders or the trustee, but they  
13 shall have a valid security interest in all tax and other  
14 revenues received and accounts receivable by the authority or  
15 council hereunder, as against the claims of all other persons in  
16 tort, contract, or otherwise, irrespective of whether such  
17 parties have notice thereof, and without possession or filing as  
18 provided in the Uniform Commercial Code or any other law. In  
19 the bond resolution or trust indenture the council may make such  
20 covenants, which shall be binding upon the authority, as are  
21 determined to be usual and reasonably necessary for the  
22 protection of the bondholders. No pledge, mortgage, covenant,  
23 or agreement securing bonds may be impaired, revoked, or amended  
24 by law or by action of the council, authority, site city, or  
25 county, except in accordance with the terms of the resolution or  
26 indenture under which the bonds are issued, until the  
27 obligations of the council thereunder are fully discharged.

28 Subd. 5. [CONDITIONAL ARBITRAGED ENDOWMENT ACCOUNT.] (a)  
29 If, as a part of a negotiated agreement with a team and its host  
30 local community, the option to use an arbitrage model to raise  
31 revenue is agreed to under this act, the authority, with the  
32 approval of the commissioner of finance may issue up to \$.....  
33 of revenue bonds for this purpose. The proceeds of the bonds  
34 must be deposited in an endowment account to be invested as  
35 provided in paragraphs (b) and (c) after the amount necessary to  
36 pay when due the debt service on the bonds issued under this

1 section is deposited in a debt service account. The balance on  
2 hand in the endowment account after all the bonds issued under  
3 this section have been retired or defeased may be used for  
4 retiring of the debt incurred for stadium purposes under this  
5 act, for stadium improvements, or for other stadium-related  
6 purposes as agreed to by the parties. Other revenue from gifts  
7 or grants for those purposes, or as otherwise authorized by law,  
8 may be deposited in the endowment fund for investment and  
9 disposition as provided in this section.

10 (b) The State Board of Investment shall contract with the  
11 investment advisors specified by the team to invest money in the  
12 endowment account. The account must be invested in authorized  
13 investments under section 11A.24, except (1) corporate  
14 obligations described in section 11A.24, subdivision 3,  
15 paragraph (b), and (2) investments described in section 11A.24,  
16 subdivision 6, paragraph (a), clauses (1) to (4).

17 (c) The commissioner of finance shall review the investment  
18 performance of the account at the end of the second year after  
19 each stadium begins operations and every four years thereafter.  
20 The commissioner shall require the authority as owner of the  
21 stadium to impose a surcharge on admissions to events at the  
22 stadium in one-half of one percent increments, not to exceed  
23 five percent, in an amount sufficient to equal the money that  
24 would be in the fund, if an 8.5 percent annual rate of return  
25 had been earned. Notwithstanding the preceding sentence, the  
26 commissioner shall set the required rate of return for the first  
27 four years after the account is established. If the rate of  
28 return on the fund during the period exceeded 8.5 percent, the  
29 commissioner may use the excess to retire or defease the  
30 Metropolitan Council's bonds for the stadium issued as  
31 authorized in this act.

32 Subd. 6. [NO FULL FAITH AND CREDIT.] Any bonds or other  
33 obligations issued by the council under this act are not public  
34 debt of the state, and the full faith and credit and taxing  
35 powers of the state are not pledged for their payment or of any  
36 payments that the state agrees to make under this act.

1        Subd. 7. [TAXABILITY OF INTEREST ON BONDS.] The bonds  
2 authorized by this act may be issued whether or not the interest  
3 to be paid on them is gross income for federal tax purposes,  
4 provided that the authority must make an effort to arrange the  
5 financing for the project in a manner that would allow the  
6 interest to be tax-exempt to the greatest extent practicable.

7        Sec. 6. [473.755] [HOST COMMUNITY POWERS.]

8        Subdivision 1. [AUTHORIZATION.] If the host community is  
9 authorized in the development agreement to operate and maintain,  
10 or to manage the operation and maintenance of a stadium, or to  
11 acquire the land for the stadium, the host community shall have  
12 the powers necessary to carry out those duties, including,  
13 without limitation, those enumerated in section 473.752.

14        Subd. 2. [LOCAL DEVELOPMENT AUTHORITIES.] If the host  
15 community deems it necessary to carry out its duties under the  
16 development agreement, it may create a housing and redevelopment  
17 authority under sections 469.001 to 469.047, a community  
18 development agency, or an economic development authority under  
19 sections 469.090 to 469.1082. If such authorities exist in the  
20 host community prior to completion of the development agreement,  
21 the host community may request the participation of one or more  
22 authorities in implementing the development agreement.

23        Sec. 7. [473.756] [NEGOTIATION DEADLINE.]

24        The authority to negotiate and enter into agreements with  
25 the teams and host communities under this act expires December  
26 31, 2005.

27        Sec. 8. [REPEALER.]

28        Minnesota Statutes 2004, sections 473I.01; 473I.02;  
29 473I.03; 473I.04; 473I.05; 473I.06; 473I.07; 473I.08; 473I.09;  
30 473I.10; 473I.11; 473I.12; and 473I.13, are repealed.

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**473I.01 DEFINITIONS.**

Subdivision 1. **Application.** The definitions in this section apply to sections 473I.01 to 473I.13.

Subd. 2. **Municipality.** "Municipality" means a statutory or home rule charter city in the metropolitan area, as defined in section 473.121, subdivision 2.

Subd. 3. **Commission.** "Commission" means the Metropolitan Sports Facilities Commission as defined in section 473.551.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of finance.

**473I.02 SITE SELECTION FOR BASEBALL PARK.**

In selecting a site to be proposed to the team for the new baseball park, the municipality shall consider at least the following:

(1) the adequacy of the size of the site relative to the preferred design for the baseball park;

(2) the adequacy of existing public infrastructure serving the site, including parking and highway, road, and transit access, to meet the demands created by events at the baseball park in combination with other uses or events in the area that create traffic, transit, or parking demands;

(3) the costs of any likely infrastructure improvements for the facility;

(4) potential development advantages, including development of compatible mixed use, commercial, and housing developments, in the area surrounding the baseball park;

(5) compatibility of surrounding uses with the baseball park; and

(6) appropriate aesthetic considerations.

**473I.03 PRECONDITIONS TO ISSUING BONDS.**

Subdivision 1. **Money available.** Before issuing bonds under section 473I.06, the commissioner must determine that:

(1) \$120,000,000 in cash from the team or other private sources has been paid to the commissioner for deposit in a construction account for leasehold improvement of the baseball park;

(2) the municipality and the team have agreed to make payments on the ballpark loan, to be credited to the baseball park debt service account under section 473I.04, at the times and in the amounts provided in the loan agreement, but not less than \$12,000,000 per year unless the commissioner of finance determines otherwise;

(3) the revenues pledged to pay principal and interest on the bonds will be sufficient to make all debt service payments as they come due and make the bonds marketable;

(4) the bid demonstrates the financial capacity of the municipality to make the annual payments under and satisfy any other conditions of the loan under section 473I.05; and

(5) the other conditions required in this section have been met.

Subd. 2. **Major league baseball guaranty.** The commissioner of finance determines that the major league of which the baseball team is a member and major league baseball have both executed an agreement with the city that guarantees the continuance of a major league franchise in the metropolitan area for the greater of (1) 30 years from the date of the agreement or (2) the term of the bonds under sections 473I.06 and 473I.11.

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Subd. 3. **Baseball economic reform.** (a) The executive council shall review information from major league baseball and assess:

(1) whether major league baseball and the major league baseball players' association are making a good faith effort to agree upon a new economic system for major league baseball to enhance the competitiveness of small market teams; and

(2) the prospects for adoption of changes to major league baseball providing increased revenues for small market teams and enhancing the viability of a new baseball park.

(b) The executive council shall assess whether, in its opinion, there is reasonable basis for concluding that major league baseball and the major league baseball players' association will agree to a system in the foreseeable future, which, after full implementation and considering all of its elements, will reduce the disparity in team revenues.

(c) The commissioner may issue bonds under section 473I.06 only after the executive council determines that there are reasonable prospects for changes in the revenue sharing structure of major league baseball that will provide sufficient revenues for the major league baseball team to make the proposed baseball park a financially viable facility for the term of the bonds to be issued under sections 473I.06 and 473I.11. The executive council must make the determination within 30 days after a referendum conducted under section 473I.07, subdivision 2, has passed, but no later than September 30, 2002. The determination of the executive council under this paragraph is conclusive and is not subject to judicial review.

Subd. 4. **Construction of baseball park; maximum price.** The municipality must have executed agreements that provide for the construction of a roof-ready baseball park to be owned by the municipality for a guaranteed maximum price not to exceed \$330,000,000, and that require 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 municipality and loss of revenues resulting from incomplete construction on the substantial completion date. The major league baseball team is responsible for and must pay all cost overruns.

Subd. 5. **Construction of baseball park; labor and materials.** The municipality must have entered into an agreement with the major league baseball team that the major league baseball team has the following obligations during the period of construction of the baseball park:

(1) the payment of the prevailing wage rate as defined in section 177.42 to all construction workers;

(2) the provision to the municipality of a signed agreement between the major league baseball team and the construction unions that will work on the baseball park that mandates a no-strike and no-lockout period during construction of the baseball park; and

(3) all construction materials for the baseball park produced from or containing steel, so far as practicable, must use steel produced in the United States from taconite produced in Minnesota.

Subd. 6. **Socially disadvantaged persons.** The major league baseball team must have entered into an agreement with the municipality to make all reasonable efforts to ensure that

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businesses owned by socially disadvantaged persons are awarded contracts for construction and operation of the baseball park in proportion to the number of qualified businesses owned by socially disadvantaged persons in the metropolitan area. The agreement must provide that the team will make all reasonable efforts to ensure that employment of socially disadvantaged persons for the construction or operation of the baseball park will be proportionate to the number of qualified workers who are socially disadvantaged persons in the metropolitan area. For the purposes of this subdivision, "socially disadvantaged persons" is as defined in Minnesota Rules, part 1230.0150, subpart 24. The municipality must report to the legislature annually on the implementation of this subdivision.

Subd. 7. Use agreement; team. The municipality must have entered into a use agreement with the major league baseball team that provides:

(1) the major league baseball team will use the baseball park for all scheduled home preseason, regular season, and postseason games that the major league baseball team is entitled to play at home for not less than 30 years without an escape clause for the major league baseball team;

(2) the baseball park will be available on nongame days for potential use by the University of Minnesota, Minnesota State Colleges and Universities, private colleges and universities, the State High School League, the municipality for community events, and the Minnesota Amateur Sports Commission;

(3) the major league baseball team will ensure that a portion of the tickets for its games are accessible and affordable;

(4) the major league baseball team and the municipality will cooperate in maintaining the facility as a smoke-free facility;

(5) an American flag manufactured in the United States will be publicly displayed at all baseball games and other events conducted at the baseball park;

(6) the major league baseball team will receive all revenue generated at the stadium, except as otherwise specifically provided in this section;

(7) a listing of all revenue streams generated from use of the baseball park with a specification of what revenues are available to cover the major league baseball team operations, what revenues accrue to the municipality, and what revenues are available to repay the bonds;

(8) the major league baseball team is responsible for repair, maintenance, and replacement of equipment or property in the baseball park, including inspections by the municipality and a representative of the state, as rent;

(9) the agreement must afford to the municipality the rights and remedies at law and equity that are deemed necessary and appropriate to provide reasonable assurance that the baseball team and the owner will comply with the agreements through the 30-year term. The remedies must include specific performance and injunctive relief and may include any other equitable remedies, and any additional remedies or ownership, voting, or other security arrangements the municipality reasonably determines to be effective in ensuring the baseball team will play the required games in the baseball park throughout the 30-year term. The legislature finds that a material breach of an agreement between a municipality and a



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professional athletic team that commits to the long-term playing of major league games at public facilities causes 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;

(10) that transfer of any portion of ownership or equity in the major league baseball team does not change any obligations, responsibilities, or privileges under the agreement, this section, or section 473I.07; and

(11) if there is a sale or transfer of ownership of the major league baseball team, the owner of the team will pay to the state an amount equal to the state's share of the appreciated value of the team. The state's share must be based on the value of the state investment in the baseball park and must be determined according to a formula included in the use agreement.

Subd. 8. **Community ownership of team.** The owner of the team must attempt to reach an agreement on the sale of a majority interest in the team to one or more buyers who will keep the team in this state before attempting to sell the majority interest to others.

Subd. 9. **Use of team name and logo.** The major league baseball team must have entered into an agreement with the municipality under which the municipality will obtain from the team the rights to the control and use of the team name and logo if the team relocates to another state. Under the agreement, the team must notify the municipality within 24 hours of signing an agreement to relocate, and at midnight immediately following notification, all income from existing contracts for the use of the team name and logo and all team property with the team name and logo, other than personal property of team members and principals, will become the property of the municipality. This agreement and the requirement that it be entered into may not be construed as authorizing or permitting the team to relocate before the end of the lease and use agreements with the municipality.

Subd. 10. **Compliance with discovery orders.** The commissioner of finance determines with regard to a case in Hennepin County District Court, entitled Metropolitan Sports Facilities Commission v. Minnesota Twins Partnership and Major League Baseball, No. 0116998 (Hennepin County District Court), that one of the following has occurred:

(1) disclosure to the Metropolitan Sports Facilities Commission by the Minnesota Twins and the office of the commissioner of major league baseball of all documents relating to the Twins' finances, including tax records of the team and its owners, deals between the commissioner and the Twins' owner, contraction plans developed by team owners, and all other documents covered by all applicable discovery orders issued by the Hennepin County District Court;

(2) the Hennepin County District Court approves a settlement agreement signed by the metropolitan sports facilities commission and the Minnesota Twins; or

(3) the court has dismissed the case.

**473I.04 SPORTS FACILITIES FUND.**

Subdivision 1. **Creation.** The sports facilities fund is established as a special account in the state treasury.

Subd. 2. **Baseball park revenue bond proceeds account.** A baseball park revenue bond proceeds account is established

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in the sports facilities fund. The proceeds of any bonds issued under section 473I.06 must be credited to the account. The amount necessary to make the loan under section 473I.05 is appropriated from the account to the commissioner.

Subd. 3. **Baseball park debt service account.** (a) A baseball park debt service account is established in the sports facilities fund. The assets of the account and its investment earnings are pledged to and may only be used to pay principal and interest on bonds issued under section 473I.06.

(b) The State Board of Investment shall contract with the investment advisors specified by the team to invest money in the endowment account. The account must be invested in authorized investments under section 11A.24, except (1) corporate obligations described in section 11A.24, subdivision 3, paragraph (b), and (2) investments described in section 11A.24, subdivision 6, paragraph (a), clauses (1) to (4).

(c) The commissioner shall review the investment performance of the account at the end of the second year after the baseball park begins operations and every four years thereafter. The commissioner shall require the owner of the baseball park to impose a surcharge on admissions to events at the baseball park, in one-half of one percent increments, not to exceed five percent, in an amount sufficient to equal the money that would be in the fund, if an 8.5 percent annual rate of return had been earned. Notwithstanding the preceding sentence, the commissioner shall set the required rate of return for the first four years after the account is established. If the rate of return on the fund during the period exceeded 8.5 percent, the commissioner may use the excess to retire or defease the bonds. In making the determination under this paragraph, the commissioner must assume that the municipality has timely made all payments required under the loan agreement, regardless of whether the payments were made.

(d) In addition, the commissioner may require, as part of the loan agreement, that the municipality exercise its authority under section 473I.07 to provide money to the commissioner to make up any deficiency that is not eliminated under paragraph (c). The municipality may recover from the team any payments made under this paragraph.

(e) Money in the debt service account is appropriated to the commissioner to pay principal and interest on bonds issued under section 473I.06.

**473I.05 LOAN AGREEMENT.**

After making the determinations required by section 473I.03, the commissioner shall provide a loan to the municipality from money in the baseball park bond proceeds account, in an amount up to \$330,000,000. The proceeds of the loan must be used by the municipality to acquire and prepare a site for and to design, construct, furnish, and equip the baseball park. The commissioner shall specify the terms of the loan agreement.

**473I.06 BASEBALL PARK REVENUE BONDS.**

Subdivision 1. **Purposes.** After making the determinations required by section 473I.03, the commissioner may sell and issue revenue bonds to make the loan to the municipality, to establish a reserve fund or funds, and to pay the cost of issuance of the bonds.

Subd. 2. **Amount.** The principal amount of the bonds issued for the purposes specified in subdivision 1 must not

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exceed \$330,000,000. The commissioner shall deposit an amount of the proceeds equal to the contributions under section 473I.03, subdivision 1, clause (1), from the team and other private sources, in the baseball debt service account.

Subd. 3. Procedure. The commissioner may sell and issue the bonds on the terms and conditions the commissioner determines to be in the best interests of the state. The bonds may be sold at public or private sale. The commissioner may enter any agreements or pledges the commissioner determines necessary or useful to sell the bonds that are not inconsistent with sections 473I.01 to 473I.07. Sections 16A.672 to 16A.675 apply to the bonds. The metropolitan sports facilities commission shall transfer an amount, not to exceed one percent of the principal amount of the bonds, from its accumulated reserves to the commissioner to pay for the cost of issuance of the bonds.

Subd. 4. Revenue sources. The bonds are payable only from the following sources:

(1) the principal and any investment earnings on the assets of the debt service account;

(2) payments of the municipality and team under the loan made by the commissioner; and

(3) other revenues pledged to the payment of the bonds.

Subd. 5. Refunding bonds. The commissioner may issue bonds to refund outstanding bonds issued under subdivision 1, including the payment of any redemption premiums on the bonds and any interest accrued or to accrue to the first redemption date after delivery of the refunding bonds. The proceeds of the refunding bonds may, in the discretion of the commissioner, be applied to the purchases or payment at maturity of the bonds to be refunded, or the redemption of the outstanding bonds on the first redemption date after delivery of the refunding bonds and may, until so used, be placed in escrow to be applied to the purchase, retirement, or redemption. Refunding bonds issued under this subdivision must be issued and secured in the manner provided by the commissioner.

Subd. 6. Not a general or moral obligation. Bonds issued under this section are not public debt, and the full faith, credit, and taxing powers of the state are not pledged for their payment. The bonds may not be paid, directly in whole or part from a tax of statewide application on any class of property, income, transaction, or privilege. Payment of the bonds is limited to the revenues explicitly authorized to be pledged under this section and section 473I.07 and the legislature intends that no state money will be used to pay the bonds. The state neither makes nor has a moral obligation to pay the bonds, if the pledged revenues and other legal security for them is insufficient.

Subd. 7. Trustee. The commissioner may contract with and appoint a trustee for bond holders. The trustee has the powers and authority vested in it by the commissioner under the bond and trust indentures.

Subd. 8. Pledges. Any pledge made by the commissioner is valid and binding from the time the pledge is made. The money or property pledged and later received by the commissioner is immediately subject to the lien of the pledge without any physical delivery of the property or money or further act, and the lien of any pledge is valid and binding as against all parties having claims of any kind in tort, contract,

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or otherwise against the commissioner, whether or not those parties have notice of the lien or pledge. Neither the order nor any other instrument by which a pledge is created need be recorded.

Subd. 9. **Bonds; purchase and cancellation.** The commissioner, subject to agreements with bondholders that may then exist, may, out of any money available for the purpose, purchase bonds of the commissioner at a price not exceeding (1) if the bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date thereon, or (2) if the bonds are not redeemable, the redemption price applicable on the first date after the purchase upon which the bonds become subject to redemption plus accrued interest to that date.

Subd. 10. **State pledge against impairment of contracts.** The state pledges and agrees with the holders of any bonds that the state will not limit or alter the rights vested in the commissioner to fulfill the terms of any agreements made with the bondholders, or in any way impair the rights and remedies of the holders until the bonds, together with interest on them, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the bondholders, are fully met and discharged. The commissioner may include this pledge and agreement of the state in any agreement with the holders of bonds issued under this section.

**473I.07 LOCAL TAXING AUTHORITY.**

Subdivision 1. **Use of proceeds.** (a) Subject to the restrictions in this section, the municipality may impose one or more of the taxes under this section to make the payments or meet other obligations under the loan agreement under section 473I.05. The taxes authorized in this section are in addition to taxes authorized under other law. The municipality may repay the state ballpark loan using only revenues from the ballpark and the taxes imposed under this section.

(b) The municipality may not use property taxes or other money, other than ballpark revenues and taxes imposed under this section, to pay for the cost of acquiring, improving, or operating the ballpark. The municipality may not expend more than \$50,000,000 for the cost of public infrastructure related to the ballpark. Public infrastructure related to the ballpark means parking, street improvements, interstate highway connections, sewer, water, and other utilities that are required under an agreement with the major league baseball team or as condition for financing of the baseball park.

(c) If the commissioner determines the money in the debt service accounts is sufficient to pay the bonds in full, the commissioner shall order a temporary or permanent reduction in the taxes imposed under subdivisions 5, 6, and 7 in the order of priority and as the commissioner determines appropriate.

Subd. 2. **Referendum.** (a) Before the municipality imposes a tax under subdivision 5 or 6, the imposition of the tax must be approved by the voters of the municipality at an election held on a Tuesday before September 30, 2002.

(b) Notwithstanding any statute, charter provision, or other law to the contrary, if the tax is approved in a referendum under this subdivision, an ordinance enacting the tax or authorizing expenditures of the proceeds of the tax is not subject to another vote of the electorate by referendum,

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initiative, charter amendment, or in any other manner.

Subd. 3. **Expiration; local option taxes.** When the bonds issued under section 473I.06 have been defeased or retired, subdivisions 4 to 7 and the taxes authorized by them expire.

Subd. 4. **Baseball park admission tax.** Notwithstanding any other law and only upon the request of the commissioner under section 473I.04, subdivision 3, paragraph (c), the city shall impose an admission tax of up to five percent of the sale price 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 collected under chapter 297A, may be levied by any other unit of government upon the sale or distribution.

The admission tax 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. The admission tax collected must be used for repayment of the bonds issued under section 473I.06 or to pay for improvements to the baseball park. The tax 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 municipality, recoverable at law in the same manner as other debts. Every person granting, issuing, selling, or distributing tickets for admissions to the ballpark may be required to secure a permit, to file returns, to deposit security for the payment of the tax, and to pay the penalties for nonpayment and interest on late payments, as deemed necessary or expedient to ensure the prompt and uniform collection of the tax.

Subd. 5. **Food and beverage taxes.** Notwithstanding section 477A.016, or any other limitation of law or charter, the municipality may by ordinance impose taxes on sales of food, as defined in section 297A.61, subdivision 31, and alcoholic beverages, as defined in section 297G.01, not to exceed five percent at a retail level on any business within the municipality. The municipality may impose this tax on all or part of the municipality, as provided in the ordinance. The ordinance must provide for dedication of the taxes or fees, after payment of collection and administrative expenses and refunds, to payment of principal and interest on bonds issued for the baseball park.

Subd. 6. **Lodging tax.** Notwithstanding section 477A.016, or any other limitation of law or charter to the contrary, the municipality may impose, by ordinance, a lodging tax at a rate of no more than five percent on the gross receipts from the furnishing for consideration of lodging as described in section 469.190, subdivision 1. The municipality may impose this tax on all or part of the municipality, as provided in the ordinance and may provide for exempting hotels or motels based on the number of rooms they have available. The ordinance must provide for dedication of the taxes and other income from the tax, after payment of collection and administrative expenses and refunds, to payment of the principal and interest on bonds issued for the baseball park.

Subd. 7. **Parking tax, surcharge, or both.** The municipality may, by ordinance, impose a parking tax or

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surcharge or both of not less than \$2 per vehicle per event at the baseball park. The parking tax and surcharge apply to public and privately owned parking facilities in the area that the municipality determines in its ordinance provide event parking for the baseball park. The ordinance must provide for dedication of the taxes and other income from the tax, after payment of collection and administrative expenses and refunds, to payment of the principal and interest on bonds issued for the baseball park.

**473I.08 DESIGN AND CONSTRUCTION.**

The major league professional baseball team shall design and construct the baseball park. Before the design process is complete and construction begins, the municipality and the team must hold at least one public hearing on the proposed design. All money paid to the municipality under section 473I.05 must be managed by the municipality and made available to the team as the team deems necessary for construction purposes.

**473I.09 BASEBALL PARK; LIQUOR LICENSE.**

The city in which the baseball park is located may issue an intoxicating liquor license for the premises of the baseball park. This license is in addition to the number authorized by law. All provisions of chapter 340A not inconsistent with this section apply to the license authorized under this section.

**473I.10 CONDOMINIUM.**

The municipality selected to be the location of the baseball park may, by itself or together with another owner, and any other public or private person or entity, as to real or personal property comprising or appurtenant or ancillary to the baseball park, act as a declarant and establish a condominium or leasehold condominium under chapter 515A or as a common interest community or leasehold common interest community under chapter 515B, and may grant, establish, create, or join in other or related easements, agreements, and similar benefits and burdens that the municipality may deem necessary or appropriate, and may exercise any and all rights and privileges, and assume obligations under them as a declarant, unit owner, or otherwise, insofar as practical and consistent with this section. The municipality may be a member of an association and the chair, any members of its governing body, and any officers and employees of the municipality may serve on the board of an association under chapter 515A or 515B.

**473I.11 ALTERNATIVE BONDING AUTHORITY.**

Subdivision 1. Commissioner determination. If the commissioner determines that all or a portion of the bonds could be issued by the municipality at a lower rate of interest than the bonds under section 473I.06, the municipality that is the site for the baseball park may issue a portion of the bonds under this section and chapter 475. The commissioner shall file the determination, in writing, with the secretary of state and the provisions of section 473.553, subdivision 14, take effect.

Subd. 2. Alternative ownership of ballpark. (a) If the commissioner determines to authorize the municipality to issue bonds under this section:

(1) the ownership of the baseball park must be in the commission; and

(2) the commission has all of the powers and responsibilities of the municipality under the provisions of sections 473I.03; 473I.04; 473I.05; 473I.06; 473I.07, subdivision 4; 473I.08; and 473I.10.

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(b) The commission shall segregate and maintain separate accounts and records of the revenue and expenditures for the baseball park and may not use baseball park money for its operations and costs related to other sports facilities.

Subd. 3. **Authorization reduction.** The principal amount of any bonds issued under this section must be deducted from the principal amount of the bonds authorized under section 473I.06.

Subd. 4. **Taxability.** The bonds must be issued as tax-exempt revenue bonds.

Subd. 5. **Procedure.** If the municipality issues bonds under this section, the bonds must be sold, issued, and secured in the manner provided in chapter 475 for bonds payable solely from revenues and the municipality 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 municipality. The bonds may be sold in one or more series. Different series may be backed by different revenue sources. An election is not required. The municipality may enter any agreements or arrangements it deems necessary or useful to issue the bonds. The municipality must give the proceeds of the bonds, less the cost of issuance, to the commission to be used for the purposes of acquiring and constructing the ballpark.

Subd. 6. **Security.** The municipality may pledge to the payment of and the bonds are payable from the taxes imposed by the municipality under section 473I.07, except subdivision 4. **473I.12 BASEBALL PARK DISTRICT.**

The municipality may establish a baseball park district to foster the development and continuing growth of compact, pedestrian-oriented, compatible mixed uses within buildings and blocks around the baseball park. Before establishing the district, the municipality must:

(1) give public notice of the creation and boundaries of the district, including reasons that support the boundaries set by the municipality; and

(2) hold at least one public hearing on the proposed establishment of the district.

**473I.13 JOINT POWERS AGREEMENT.**

Two or more cities may enter a joint powers agreement under section 471.59 to serve as a municipality for purposes of sections 473I.01 to 473I.12. If a joint powers agreement is entered for this purpose, the obligations and powers of and the limitations on a municipality under sections 473I.01 to 473I.12 apply to each of the cities.



1.1 **Senator Higgins from the Committee on State and Local Government**  
1.2 **Operations, to which was referred**

1.5 **S.F. No. 2297:** A bill for an act relating to state and local government operations;  
1.6 providing a process for developing a new baseball stadium; establishing a metropolitan  
1.7 stadium authority; providing for the membership and powers of the authority; authorizing  
1.8 the Metropolitan Council to issue bonds; providing powers of the host communities;  
1.9 proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota  
1.8 Statutes 2004, sections 473I.01; 473I.02; 473I.03; 473I.04; 473I.05; 473I.06; 473I.07;  
1.9 473I.08; 473I.09; 473I.10; 473I.11; 473I.12; 473I.13.

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

1.11 Delete everything after the enacting clause and insert:

1.12 "Section 1. Minnesota Statutes 2004, section 10A.01, subdivision 35, is amended to  
1.13 read:

1.14 **Subd. 35. Public official.** "Public official" means any:

1.15 (1) member of the legislature;

1.16 (2) individual employed by the legislature as secretary of the senate, legislative  
1.17 auditor, chief clerk of the house, revisor of statutes, or researcher, legislative analyst, or  
1.18 attorney in the Office of Senate Counsel and Research or House Research;

1.19 (3) constitutional officer in the executive branch and the officer's chief administrative  
1.20 deputy;

1.21 (4) solicitor general or deputy, assistant, or special assistant attorney general;

1.22 (5) commissioner, deputy commissioner, or assistant commissioner of any state  
1.23 department or agency as listed in section 15.01 or 15.06;

1.24 (6) member, chief administrative officer, or deputy chief administrative officer of a  
1.25 state board or commission that has either the power to adopt, amend, or repeal rules under  
1.26 chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;

1.27 (7) individual employed in the executive branch who is authorized to adopt, amend,  
1.28 or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;

1.29 (8) executive director of the State Board of Investment;

1.30 (9) deputy of any official listed in clauses (7) and (8);

1.31 (10) judge of the Workers' Compensation Court of Appeals;

1.32 (11) administrative law judge or compensation judge in the State Office of  
1.33 Administrative Hearings or referee in the Department of Employment and Economic  
1.34 Development;

1.35 (12) member, regional administrator, division director, general counsel, or operations  
1.36 manager of the metropolitan council;

1.37 (13) member or chief administrator of a metropolitan agency;

1.38 (14) director of the Division of Alcohol and Gambling Enforcement in the  
1.39 Department of Public Safety;



- 1.40 (15) member or executive director of the Higher Education Facilities Authority;  
 2.1 (16) member of the board of directors or president of Minnesota Technology, Inc.; or  
 2.3 High School League; or  
 2.4 (18) member of the Minnesota Ballpark Authority established in section 4.

2.5 Sec. 2. Minnesota Statutes 2004, section 297A.71, is amended by adding a subdivision  
 2.6 to read:

2.7 Subd. 37. Building materials exemption. Materials, supplies, and equipment used  
 2.8 or consumed in, and incorporated into the construction or improvement of the ballpark,  
 2.9 and public infrastructure constructed pursuant to sections 3 to 12, are exempt.

2.10 Sec. 3. CONSTRUCTION AND FINANCING OF MAJOR LEAGUE  
 2.11 BALLPARK.

2.12 Subdivision 1. Purpose; findings. The purpose of this act is to provide for the  
 2.13 construction, financing, and long-term use of a ballpark primarily as a venue for major  
 2.14 league baseball. It is hereby found and declared that the expenditure of public funds for  
 2.15 this purpose is necessary and serves a public purpose. It is further found and declared that  
 2.16 any provision in a lease or use agreement with a major league team, that requires the team  
 2.17 to play its home games in a publicly funded ballpark for the duration of the lease or use  
 2.18 agreement, serves a unique public purpose for which the remedies of specific performance  
 2.19 and injunctive relief are essential to its enforcement. It is further found and declared  
 2.20 that government assistance to facilitate the presence of major league baseball provides  
 2.21 to Hennepin County, the state of Minnesota, and its citizens highly valued intangible  
 2 benefits that are virtually impossible to quantify and, therefore, not recoverable even if  
 2.23 the government receives monetary damages in the event of a team's breach of contract.  
 2.24 Minnesota courts are, therefore, charged with protecting those benefits through the use  
 2.25 of specific performance and injunctive relief as provided herein and in the lease and  
 2.26 use agreements.

2.27 Subd. 2. Location. The ballpark must be located in the city of Minneapolis at a  
 2.28 site within the development area.

2.29 Subd. 3. Definitions. As used in this act, the following terms have the meanings  
 2.30 given in this subdivision:

- 2.31 (a) "Authority" means the Minnesota Ballpark Authority established under section 4.  
 2.32 (b) "Ballpark" means the stadium suitable for major league baseball to be constructed  
 2.33 and financed under this act.

2.34 (c) "Ballpark costs" means, unless the context otherwise indicates, the cost of  
2.35 designing, constructing, and equipping a ballpark suitable for major league baseball.  
"Ballpark cost" excludes the cost of land acquisition, site improvements, utilities, site  
3.2 demolition, environmental remediation, railroad crash wall, site furnishings, landscaping,  
3.3 railroad right-of-way development, district energy, site graphics and artwork and other  
3.4 site improvements identified by the authority, public infrastructure, capital improvement  
3.5 reserves, bond reserves, capitalized interest, and financing costs.

3.6 (d) "County" means Hennepin County.

3.7 (e) "Development area" means the area in the city of Minneapolis bounded  
3.8 by marked Interstate Highway 394, vacated Holden Street, the Burlington Northern  
3.9 right-of-way, Seventh Street North, Sixth Avenue North, and Fifth Street North.

3.10 (f) "Public infrastructure" means all property, facilities, and improvements  
3.11 determined by the authority or the county to facilitate the development and use of  
the ballpark, including but not limited to property and improvements for drainage,  
3.13 environmental remediation, parking, roadways, walkways, skyways, pedestrian bridges,  
3.14 bicycle paths, and transit improvements to facilitate public access to the ballpark, lighting,  
3.15 landscaping, utilities, streets, and land acquired and prepared for private redevelopment in  
3.16 a manner related to the use of the ballpark.

3.17 (g) "Team" means the owner and operator of the baseball team currently known  
3.18 as the Minnesota Twins.

3.19 **Sec. 4. MINNESOTA BALLPARK AUTHORITY.**

3.20 Subdivision 1. Establishment. To achieve the purposes of this act, the Minnesota  
2.21 Ballpark Authority is established as a public body, corporate and politic, and political  
2.22 subdivision of the state. The authority is not a joint powers entity or an agency or  
3.23 instrumentality of the county. The authority may acquire title to all land, air rights, and  
3.24 other interests in real property needed for construction and operation of the ballpark  
3.25 and related facilities. The authority may enter into contracts for and take all actions  
3.26 necessary or desirable to design, construct, furnish, equip, and provide for the operation,  
3.27 maintenance, and improvement of the ballpark and related facilities, and has all powers  
3.28 necessary or incidental to those actions.

3.29 Subd. 2. Composition. (a) The Minnesota Ballpark Authority shall be governed  
3.30 by a commission consisting of:

3.31 (1) two members appointed by the governor;

2 (2) two members, including the chair, appointed by the county board; and

3.33 (3) one member appointed by the governing body of the city of Minneapolis.

3.34 (b) All members appointed under paragraph (a), clause (1), serve at the pleasure of  
3.35 the governor. All members appointed under paragraph (a), clause (2), serve at the pleasure  
of the county board. The member appointed under paragraph (a), clause (3), serves at the  
4.2 pleasure of the governing body of the city of Minneapolis.

4.3 (c) Compensation of members appointed under paragraph (a) is governed by  
4.4 Minnesota Statutes, section 15.0575.

4.5 (d) One member appointed under paragraph (a), clause (1), must be a resident of  
4.6 a county other than Hennepin. All other members appointed under paragraph (a) must  
4.7 be residents of Hennepin County.

4.8 Subd. 3. Chair. The chair shall preside at all meetings of the commission, if  
4.9 present, and shall perform all other assigned duties and functions. The commission may  
4.10 appoint from among its members a vice-chair to act for the chair during the temporary  
4.11 absence or disability of the chair.

4.12 Subd. 4. Bylaws. The authority shall adopt bylaws to establish rules of procedure,  
4.13 the powers and duties of its officers, and other matters relating to the governance of the  
4.14 authority and the exercise of its powers. The bylaws adopted under this subdivision shall  
4.15 be similar in form and substance to bylaws adopted by the Metropolitan Sports Facilities  
4.16 Commission pursuant to Minnesota Statutes, section 473.553.

4.17 Subd. 5. Web site. The authority shall establish a Web site for purposes of providing  
4.18 information to the public concerning all actions taken by the authority. At a minimum, the  
4.19 Web site must contain a current version of the authority's bylaws, notices of upcoming  
4.20 meetings, minutes of the authority's meetings, and contact telephone and fax numbers for  
4.21 public comments.

2 **Sec. 5. POWERS OF AUTHORITY.**

4.23 Subdivision 1. Actions. The authority may sue and be sued. The authority is a  
4.24 public body and the ballpark and public infrastructure are public improvements within the  
4.25 meaning of Minnesota Statutes, chapter 562. The authority is a municipality within the  
4.26 meaning of Minnesota Statutes, chapter 466.

4.27 Subd. 2. Acquisition of property. The authority may acquire from any public or  
4.28 private entity by lease, purchase, gift, or devise all necessary right, title, and interest in and  
4.29 to real or personal property deemed necessary to the purposes contemplated by this act.

4.30 Subd. 3. Property tax exemption; special assessments. Any real or personal  
4.31 property acquired, owned, leased, controlled, used, or occupied by the authority or county  
4.32 for any of the purposes of this act is declared to be acquired, owned, leased, controlled,  
4.33 used, and occupied for public, governmental, and municipal purposes, and is exempt from  
4.34 ad valorem taxation by the state or any political subdivision of the state; provided that the

4.35 properties are subject to special assessments levied by a political subdivision for a local  
4.36 improvement in amounts proportionate to and not exceeding the special benefit received  
by the properties from the improvement. No possible use of any of the properties in any  
5.2 manner different from their use under this act at the time may be considered in determining  
5.3 the special benefit received by the properties. Notwithstanding Minnesota Statutes, section  
5.4 272.01, subdivision 2, or section 273.19, real or personal property leased by the authority  
5.5 or county to another person for uses related to the purposes of this act, including the  
5.6 operation of the ballpark and related parking facilities, is exempt from taxation regardless  
5.7 of the length of the lease. This subdivision, insofar as it provides an exemption or special  
5.8 treatment, does not apply to any real property that is leased for residential, business, or  
5.9 commercial development or other purposes different from those contemplated in this act.

5.10 Subd. 4. **Data practices; open meetings.** Except as otherwise provided in this act,  
5.11 the authority is subject to Minnesota Statutes, chapters 13 and 13D.

Subd. 5. **Facility operation.** The authority may equip, improve, operate, manage,  
5.13 maintain, and control the ballpark and related facilities constructed, remodeled, or  
5.14 acquired under this act, subject to the rights and obligations transferred to and assumed by  
5.15 the team or other user under the terms of a lease or use agreement.

5.16 Subd. 6. **Disposition of property.** The authority may sell, lease, or otherwise  
5.17 dispose of any real or personal property acquired by it that is no longer required for  
5.18 accomplishment of its purposes. The property may be sold in accordance with the  
5.19 procedures provided by Minnesota Statutes, section 469.065, except subdivisions 6 and 7,  
5.20 to the extent the authority deems to be practical and consistent with this act. Title to the  
5.21 ballpark shall not otherwise be transferred or sold without approval by the legislature.

5.22 Subd. 7. **Employees; contracts for services.** The authority may employ persons  
5.23 and contract for services necessary to carry out its functions, including the utilization of  
5.24 employees and consultants retained by other governmental entities. The authority may  
5.25 employ on the terms it deems advisable persons or firms to provide peace officers to direct  
5.26 traffic on property under the control of the authority and on the city streets in the general  
5.27 area of the property controlled by the authority.

5.28 Subd. 8. **Gifts and grants.** The authority may accept monetary contributions,  
5.29 property, services, and grants or loans of money or other property from the United States,  
5.30 the state, any subdivision of the state, any agency of those entities, or any person for any  
5.31 of its purposes, and may enter into any agreement required in connection with them. The  
5.32 authority shall hold, use, and dispose of the money, property, or services according to the  
5.33 terms of the monetary contributions, grant, loan, or agreement.

5.34 Subd. 9. Research. The authority may conduct research studies and programs;  
5.35 collect and analyze data; prepare reports, maps, charts, and tables; and conduct all  
necessary hearings and investigations in connection with its functions.

6.1 Subd. 10. Use agreements. The authority may lease, license, or enter into use  
6.2 agreements and may fix, alter, charge, and collect rentals, fees, and charges for the use,  
6.3 occupation, and availability of part or all of any premises, property, or facilities under  
6.4 its ownership, operation, or control for purposes that will provide athletic, educational,  
6.5 cultural, commercial, or other entertainment, instruction, or activity for the citizens of  
6.6 Minnesota and visitors. Any such use agreement may provide that the other contracting  
6.7 party has exclusive use of the premises at the times agreed upon, as well as the right to  
6.8 retain all revenues from ticket sales, suite licenses, concessions, advertising, naming  
6.9 rights, and other revenues derived from the ballpark. The lease or use agreement with a  
6.10 team shall provide for the payment by the team of operating and maintenance costs and  
expenses and provide other terms the authority and team agree to.

6.12 Subd. 11. Insurance. The authority may require any employee to obtain and  
6.13 file with it an individual bond or fidelity insurance policy. It may procure insurance in  
6.14 the amounts it considers necessary against liability of the authority or its officers and  
6.15 employees for personal injury or death and property damage or destruction, consistent  
6.16 with Minnesota Statutes, chapter 466, and against risks of damage to or destruction of any  
6.17 of its facilities, equipment, or other property.

6.18 Subd. 12. Exemption from council review; business subsidy act. The acquisition  
6.19 and betterment of a ballpark by the authority must be conducted pursuant to this act and  
6.20 are not subject to Minnesota Statutes, sections 473.165 and 473.173. Minnesota Statutes,  
6.21 section 116J.994, does not apply to any transactions of the county, the authority, or other  
6.22 governmental entity related to the ballpark or public infrastructure, or to any tenant or  
6.23 other users of them.

6.24 Subd. 13. Local government action; environmental review. Local governmental  
6.25 units shall take action promptly and within project design and construction timetables on  
6.26 applications for building permits and certificates of occupancy. The county shall be the  
6.27 responsible governmental unit for any environmental impact statement prepared under  
6.28 Minnesota Statutes, section 116D.04. Governmental units granted authority under this act  
6.29 may make decisions and take actions to acquire land, obtain financing, and impose the tax  
6.30 under section 7, prior to completion of environmental review.

6.31 Subd. 14. Contracts. The authority may enter into a development agreement with  
6.32 the team, the county, or any other entity relating to the construction, financing, and  
6.33 use of the ballpark and related facilities and public infrastructure. The authority may

6.34 contract for materials, supplies, and equipment in accordance with Minnesota Statutes,  
6.35 section 471.345, except that the authority, with the consent of the county, may employ  
7.1 or contract with persons, firms, or corporations to perform one or more or all of the  
7.2 functions of architect, engineer, or construction manager with respect to all or any part of  
7.3 the ballpark and public infrastructure. Alternatively, at the request of the team and with  
7.4 the consent of the county, the authority shall authorize the team to provide for the design  
7.5 and construction of the ballpark, subject to terms of this act. The construction manager  
7.6 may enter into contracts with contractors for labor, materials, supplies, and equipment  
7.7 for the construction of the ballpark through the process of public bidding, except that the  
7.8 construction manager may, with the consent of the authority or the team:

7.8 (1) narrow the listing of eligible bidders to those which the construction manager  
7.9 determines to possess sufficient expertise to perform the intended functions;

7.10 (2) award contracts to the contractors that the construction manager determines  
1 provide the best value, which are not required to be the lowest responsible bidder; and

7.12 (3) for work the construction manager determines to be critical to the completion  
7.13 schedule, award contracts on the basis of competitive proposals or perform work with  
7.14 its own forces without soliciting competitive bids if the construction manager provides  
7.15 evidence of competitive pricing.

7.16 The authority may require that the construction manager shall certify, before  
7.17 the contract is finally signed, a certified, fixed, and stipulated construction price and  
7.18 completion date to the authority and shall post a bond in an amount at least equal to  
7.19 100 percent of the certified price, to cover any costs, which may be incurred in excess  
7.20 of the certified price, including but not limited to costs incurred by the authority or  
1 loss of revenues resulting from incomplete construction on the completion date. The  
7.22 authority may secure surety bonds as provided in Minnesota Statutes, section 574.26,  
7.23 securing payment of just claims in connection with all public work undertaken by it.  
7.24 Persons entitled to the protection of the bonds may enforce them as provided in Minnesota  
7.25 Statutes, sections 574.28 to 574.32, and shall not be entitled to a lien on any property  
7.26 of the authority under the provisions of Minnesota Statutes, sections 514.01 to 514.16.  
7.27 Contracts for construction and operation of the ballpark must include programs to provide  
7.28 for participation by small, local, women, and minority businesses, and the inclusion of  
7.29 women and people of color in the workforces of contractors and ballpark operators.

7.30 Subd. 15. Zoning and planning. It is hereby found and declared that the  
31 construction of a ballpark within the development area is consistent with the adopted  
7.32 area plan, is the preferred ballpark location, and is a permitted land use. Local units of  
7.33 government may not impose restrictions or conditions on ballpark and public infrastructure

7.34 land use approvals except those which are based on reasonable land use grounds and  
7.35 criteria which are within their jurisdiction to apply. This subdivision applies to establish a  
procedure for all land use reviews and approvals by local governments for the ballpark  
8.1 and related public infrastructure and supersedes all land use rules and restrictions and  
8.2 procedures imposed by other law, charter, or ordinance. Minnesota Statutes, section 15.99,  
8.3 subdivision 3, paragraphs (f) and (g), shall not apply. Within 60 days of enactment, the city  
8.4 of Minneapolis and the county shall establish a ballpark implementation committee with  
8.5 equal representation from the city of Minneapolis and county to make recommendations  
8.6 on street vacation, parking, roadways, walkways, skyways, pedestrian bridges, bicycle  
8.7 paths, transit improvements to facilitate public street access to the ballpark, and integration  
8.8 into the transportation plan for downtown and the region, lighting, landscaping, utilities,  
8.9 streets, drainage, environmental remediation, and land acquired and prepared for private  
8.10 redevelopment in a manner related to the use of the ballpark. The recommendations of  
the committee shall be forwarded to the city of Minneapolis Planning Commission for an  
8.12 advisory recommendation and then to the city council for action in a single resolution.

8.13 **Sec. 6. CRITERIA AND CONDITIONS.**

8.14 **Subdivision 1. Binding and enforceable.** In developing the ballpark and entering  
8.15 into related contracts, the authority must follow and enforce the criteria and conditions in  
8.16 subdivisions 2 to 14, provided that a determination by the authority that those criteria or  
8.17 conditions have been met under any agreement or otherwise shall be conclusive.

8.18 **Subd. 2. Team contributions.** The team must agree to contribute \$125,000,000  
8.19 toward ballpark costs, less a proportionate share of any amount by which actual ballpark  
8.20 costs may be less than a budgeted amount of \$360,000,000. The team contributions  
21 must be funded in cash during the construction period. In addition to any other team  
8.22 contribution, the team must agree to assume and pay when due all cost overruns for the  
8.23 ballpark costs that exceed the budget, excluding land, site improvements, and public  
8.24 infrastructure.

8.25 **Subd. 3. Reserve for capital improvements.** The authority shall require that  
8.26 a reserve fund for capital improvements to the stadium be established and funded with  
8.27 annual team payments of \$600,000 and annual payments from other sources of \$1,400,000,  
8.28 which annual payments shall increase according to an inflation index determined by the  
8.29 authority. The authority may accept contributions from the county or other source for the  
8.30 portion of the funding not required to be provided by the team.

1 **Subd. 4. Lease or use agreements.** The authority and team must agree to a  
8.32 long-term lease or use agreement with the team for its use of the ballpark. The team  
8.33 must agree to play all regularly scheduled and postseason home games at the ballpark.



8.34 Preseason games may also be scheduled and played at the ballpark. The lease or use  
8.35 agreement must be for a term of at least 30 years from the date of ballpark completion.  
The lease or use agreement must include terms for default, termination, and breach of the  
9.1 agreement. Recognizing that the presence of major league baseball provides to Hennepin  
9.2 County, the state of Minnesota, and its citizens highly valued, intangible benefits that  
9.3 are virtually impossible to quantify and, therefore, not recoverable in the event of a  
9.4 team owner's breach of contract, the lease and use agreements must provide for specific  
9.5 performance and injunctive relief to enforce provisions relating to use of the ballpark for  
9.6 major league baseball and must not include escape clauses or buyout provisions.

9.7 Subd. 5. Notice requirement for certain events. Until 30 years from the date  
9.8 of ballpark completion, the team must provide written notice to the authority not less  
9.9 than 90 days prior to any action, including any action imposed upon the team by Major  
9.10 League Baseball, which would result in a breach or default of provisions of the lease  
9.11 or use agreements required to be included under subdivision 4. If this notice provision  
9.12 is violated and the team has already breached or been in default under the required  
9.13 provisions, the authority, the county, or the state of Minnesota is authorized to specifically  
9.14 enforce the lease or use agreement, and Minnesota courts are authorized and directed to  
9.15 fashion equitable remedies so that the team may fulfill the conditions of the lease and use  
9.16 agreements, including, but not limited to, remedies against Major League Baseball.

9.17 Subd. 6. Enforceable financial commitments. The authority must determine before  
9.18 ballpark construction begins that all public and private funding sources for construction  
9.19 and operation of the ballpark are included in written agreements. The committed funds  
9.20 must be adequate to design, construct, furnish, and equip the ballpark.

1 Subd. 7. Community ownership option. (a) The lease or use agreement for the  
9.22 baseball facility must provide that if the owner of the baseball franchise seeks to sell the  
9.23 franchise during the term of the agreement, the franchise must first be offered for sale to  
9.24 the entity formed in compliance with paragraph (b) on the same terms offered to any other  
9.25 entity. The offer to sell the franchise to this entity must remain open for at least one  
9.26 year. The amounts that would otherwise be returned to the public under subdivision 9  
9.27 may be used by an entity created under paragraph (b) to offset the cost of acquiring the  
9.28 baseball franchise.

9.29 (b) The governor and the authority must attempt to facilitate the formation of  
9.30 a corporation to acquire the baseball franchise and to identify an individual private  
9.31 managing owner of the corporation. The corporation formed to acquire the franchise shall  
9.32 have a capital structure in compliance with all of the following provisions:



9.33 (1) there may be two classes of capital stock: common stock and preferred stock.

9.34 Both classes of stock must give holders voting rights with respect to any relocation  
or contraction of the franchise;

10.1 (2) the private managing owner must own no less than 25 percent and no more than  
10.2 35 percent of the common stock. For purposes of this restriction, shares of common stock  
10.3 owned by the private managing owner include shares of commons stock owned by any  
10.4 related taxpayer as defined in section 1313(c) of the Internal Revenue Code of 1986, as  
10.5 amended. Other than the rights of all other holders of common stock and preferred stock  
10.6 with respect to relocation of the franchise or voluntary contraction, the private managing  
10.7 owner must control all aspects of the operation of the corporation;

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

10.10 (4) at least 50 percent of the ownership of the common stock must be sold to  
1 members of the general public in a general solicitation and no person or entity must own  
10.12 more than one percent of common stock of the corporation; and

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

10.19 (c) Except as specifically provided by this act, no state agency may spend money  
10.20 from any state fund for the purpose of generating revenue under this subdivision or for the  
21 purpose of providing operating support or defraying operating losses of a professional  
10.22 baseball franchise.

10.23 Subd. 8. Environmental requirements. The authority must comply with all  
10.24 environmental requirements imposed by regulatory agencies for the ballpark, site, and  
10.25 structure. The authority must ensure that the ballpark receives Leadership in Energy and  
10.26 Environmental Design (LEED) certification for environmental design, and to the extent  
10.27 practicable, that the ballpark design is architecturally significant.

10.28 Subd. 9. Public share upon sale of team. The lease or use agreement must provide  
10.29 that, if the team is sold after the effective date of this act, a portion of the sale price must  
10.30 be paid to the authority and deposited in a reserve fund for improvements to the ballpark  
10.31 or expended as the authority may otherwise direct. The portion required to be so paid to  
32 the authority is 75 percent of the increased value of the team.

10.33        Subd. 10. Access to books and records. The authority must seek a provision in  
10.34 the lease or use agreement that provides the authority access to annual audited financial  
5        statements of the team and other financial books and records that the authority deems  
10.36 necessary to determine compliance by the team with this act and to enforce the terms  
11.1 of any lease or use agreements entered into under this act. Any financial information  
11.2 obtained by the authority under this subdivision is nonpublic data under Minnesota  
11.3 Statutes, section 13.02, subdivision 9.

11.4        Subd. 11. Affordable access. To the extent determined by the authority or required  
11.5 by a grant agreement, any lease or use agreement must provide for affordable access to the  
11.6 professional sporting events held in the ballpark.

11.7        Subd. 12. No strikes; lockouts. The authority must use its best efforts to negotiate a  
11.8 public sector project labor agreement or other agreement to prevent strikes and lockouts  
11.9 that would halt, delay, or impede construction of the ballpark and related facilities.

11.10        Subd. 13. Youth and amateur sports. The lease or use agreement must require that  
11.11 the team provide or cause to be provided \$250,000 annually for the term of the agreement  
11.12 for youth activities and amateur sports without reducing the amounts otherwise normally  
11.13 provided for and on behalf of the team for those purposes. The amount shall increase  
11.14 according to an inflation factor not to exceed 2.5 percent annually and may be subject to a  
11.15 condition that the county fund grants for similar purposes as authorized by this act.

11.16        Subd. 14. Name retention. The lease or use agreement must provide that the  
11.17 team and league will transfer to the state of Minnesota the Minnesota Twins' heritage  
11.18 and records, including the name, logo, colors, history, playing records, trophies and  
11.19 memorabilia in the event of any dissolution or relocation of the Twins franchise.

20        Subd. 15. Sustainable building guidelines. The construction process used for a  
11.21 ballpark constructed under this act must, to the extent feasible, follow sustainable building  
11.22 guidelines established under section 16B.325.

11.23        Subd. 16. American steel. The authority must ensure that a ballpark constructed  
11.24 under this act be, to the greatest extent practicable, constructed of American-made steel.

11.25        **Sec. 7. COUNTY ACTIVITIES; BONDS; TAXES.**

11.26        Subdivision 1. Activities; contracts. (a) The county may authorize, by resolution,  
11.27 and make one or more grants to the authority for ballpark development and construction,  
11.28 public infrastructure, reserves for capital improvements, operating expenses, and other  
11.29 purposes related to the ballpark on the terms and conditions agreed to by the county and  
30 the authority.

11.31        (b) To the extent funds are available from collections of the tax authorized by  
11.32 subdivision 3 after payment each year of debt service on the bonds authorized and issued

11.33 under subdivision 2 and payments for the purposes described in paragraph (a), the county  
11.34 may also:

12.2 (1) authorize by resolution and expend or make grants to the authority and to  
12.3 other governmental units and nonprofit organizations in an aggregate amount of up to  
12.4 \$2,000,000 annually for youth activities and amateur sports; and

12.5 (2) authorize by resolution expenditure of up to \$2,000,000 annually to pay the cost  
12.6 of extending the hours of operation of county libraries and Minneapolis public libraries.

12.7 The maximum amounts of the expenditures under clause (1) may be increased by up  
12.8 to 2.5 percent per year after the first year of the expenditure for that purpose.

12.9 (c) The amount that the county may grant or expend for ballpark costs shall not  
12.10 exceed \$235,000,000. The amount of any grant for capital improvement reserves shall not  
12.11 exceed \$1,400,000 annually, subject to annual increases according to an inflation index  
2 acceptable to the county. This act does not limit the amount of grants or expenditures  
12.12 for land, site improvements, and public infrastructure. Such agreements are valid and  
12.13 enforceable notwithstanding that they involve payments in future years and they do not  
12.14 constitute a debt of the county within the meaning of any constitutional or statutory  
12.15 limitation or for which a referendum is required. The county may acquire land, air rights,  
12.16 and other property interests within the development area for the ballpark site and public  
12.17 infrastructure and convey it to the authority with or without consideration, prepare a site  
12.18 for development as a ballpark, and acquire and construct any related public infrastructure.  
12.19 The county may review and approve ballpark designs, plans, and specifications to the  
12.20 extent provided in a grant agreement and in order to ensure that the public purposes of the  
12.21 grant are carried out. Public infrastructure designs must optimize area transit and bicycle  
22 opportunities, including connections to planned or existing trails and transportation  
12.23 corridors, including Central, Hiawatha, I-394, Northstar, Northwest, Red Rock, Rush  
12.24 Line, and Southwest. The county may enforce the provisions of any grant agreement by  
12.25 specific performance. Except to require compliance with the conditions of the grant, the  
12.26 county has no interest in or claim to any assets or revenues of the authority. The county  
12.27 may initiate an environmental impact statement as the responsible governmental unit  
12.28 under Minnesota Statutes, section 116D.04, and conduct other studies and tests necessary  
12.29 to evaluate the suitability of the ballpark site. The county has all powers necessary or  
12.30 convenient for those purposes and may enter into any contract for those purposes. The  
12.31 county may reimburse a local governmental entity within its jurisdiction or make a  
32 grant to such a governmental unit for site acquisition, preparation of the site for ballpark  
12.33 development, and public infrastructure. Amounts expended by a local governmental unit  
12.34 with the proceeds of a grant or in expectation of reimbursement by the county shall not be

12.35 deemed an expenditure or other use of local governmental resources by the governmental  
12.36 unit within the meaning of any law or charter limitation. Exercise by the county of its  
powers under this section shall not affect the amounts that the county is otherwise eligible  
13.2 to spend, tax, or receive under any law.

13.3 (d) It is the intent of the legislature that, except as expressly limited herein, the  
13.4 county has the authority to acquire and develop a site for the ballpark, to enter into  
13.5 contracts with the authority and other governmental entities, to appropriate funds, and  
13.6 to make employees, consultants, and other revenues available for those purposes.  
13.7 The county may exercise for those purposes all the powers of a city, a housing and  
13.8 redevelopment authority, a port authority, a community development agency, and an  
13.9 economic development authority notwithstanding any limitations on the powers of those  
13.10 entities with respect to the development of sports facilities buildings designed or used  
13.11 primarily for professional sports.

12 Subd. 2. County revenue bonds. The county may, by resolution, authorize, sell,  
13.13 and issue revenue bonds to provide funds to make a grant to the authority and to finance  
13.14 all or a portion of the costs of site acquisition, site improvements and other activities  
13.15 necessary to prepare a site for development of a stadium, and to acquire and construct  
13.16 any related parking facilities and other public infrastructure. The county may also, by  
13.17 resolution, issue bonds to refund the bonds issued pursuant to this section. The bonds must  
13.18 be limited obligations, payable solely from or secured by taxes levied under subdivision 3,  
13.19 and any other revenues to become available under this act. The bonds may be issued in  
13.20 one or more series and sold without an election. The bonds shall be sold in the manner  
13.21 provided by Minnesota Statutes, section 475.60. The bonds shall be secured, bear  
13.22 the interest rate or rates or a variable rate, have the rank or priority, be executed in the  
13.23 manner, be payable in the manner, mature, and be subject to the defaults, redemptions,  
13.24 repurchases, tender options, or other terms, as the county may determine. The county may  
13.25 enter into and perform all contracts deemed necessary or desirable by it to issue and  
13.26 secure the bonds, including an indenture of trust with a trustee within or without the state.  
13.27 The debt represented by the bonds shall not be included in computing any debt limitation  
13.28 applicable to the county. Subject to this subdivision, the bonds must be issued and sold in  
13.29 the manner provided in Minnesota Statutes, chapter 475. The bonds shall recite that they  
13.30 are issued under this act and the recital shall be conclusive as to the validity of the bonds  
13.31 and the imposition and pledge of the taxes levied for their payment. In anticipation of the  
13.32 issuance of the bonds authorized under this subdivision and the collection of taxes levied  
13.33 under subdivision 3, the county may provide funds for the purposes authorized by this act  
13.34 through interfund loans from other available funds of the county.

13.35 Subd. 3. Sales and use tax. (a) Notwithstanding Minnesota Statutes, section  
13.36 477A.016, or any other law, the governing body of the county may, by ordinance, impose  
14.2 an additional sales tax at a rate not to exceed 0.15 percent on sales taxable under Minnesota  
14.3 Statutes, chapter 297A, that occur within the county, and may also, by ordinance, impose a  
14.4 compensating use tax at a rate not to exceed 0.15 percent on uses of property within the  
14.5 county, the sale of which would be subject to the additional sales tax but for the fact that  
14.6 the property was sold outside the county.

14.6 (b) Voter approval is not required for imposition of the taxes authorized by paragraph  
14.7 (a). The tax authorized under this act and the manner by which it is imposed are exempt  
14.8 from Minnesota Statutes, section 297A.99, subdivisions 2 and 3.

14.9 (c) The tax must be dedicated to the purposes described in this act and terminates  
14.10 upon payment or provision for payment of all bonds issued under subdivision 2 and  
14.11 the payment or provision for payment of all obligations of the county under any grant  
12 agreements or funding commitments entered into pursuant to this act.

14.13 (d) To the extent not inconsistent with this act, the provisions of Minnesota Statutes,  
14.14 sections 297A.95; 297A.96; 297A.98; and 297A.99, subdivisions 4, 5, 6, 7, 8, 9, 10, 11,  
14.15 and 12, apply to the tax.

14.16 (e) The tax shall not be included in determining the amount of sales tax that may be  
14.17 imposed on lodging in the city of Minneapolis for purposes of the limitation contained  
14.18 in Laws 1986, chapter 396, section 5, or in determining the amount of tax that may be  
14.19 imposed under any other limitation.

14.20 (f) In the event of any amendment to Minnesota Statutes, chapter 297A, enacted  
14.21 subsequent to the effective date of this act that exempts sales or uses that were taxable  
14.22 under Minnesota Statutes, chapter 297A, on the effective date of this act, the county may,  
14.23 by ordinance, adjust the tax rate authorized in this section, provided that the governing  
14.24 body shall have determined that such adjustment is necessary to provide revenues for  
14.25 the uses to which taxes may be applied under this section and further provided that,  
14.26 in the estimation of the governing body, the aggregate annual collections following  
14.27 such adjustment will not exceed the aggregate annual collections that would have been  
14.28 generated if Minnesota Statutes, chapter 297A, as in effect on the effective date of this act,  
14.29 were then in effect. Any bonds issued in accordance with this act may, with the consent  
14.30 of the governing body, contain a covenant that the tax will be so adjusted to the extent  
14.31 necessary to pay principal and interest on the bonds when due.

14.32 Subd. 4. Uses of taxes. Revenues received from the tax imposed under subdivision  
14.33 3 may be used:

14.34 (1) to pay costs of collection;

14.35 (2) to pay or secure the payment of any principal of, premium, or interest on bonds  
14.36 issued in accordance with this act;

(3) to pay costs and make grants described in subdivision 1, including financing  
15.2 costs related to them; and

15.3 (4) to maintain reserves for the foregoing purposes deemed reasonable and  
15.4 appropriate by the county.

15.5 After completion of the ballpark and public infrastructure, the tax revenues not  
15.6 required for current payments of the expenditures described above shall be used to (i)  
15.7 redeem or defease the bonds and (ii) prepay or establish a fund for payment of future  
15.8 obligations under grants or other commitments for future expenditures which are permitted  
15.9 by subdivision 1. Upon the redemption or defeasance of the bonds and the establishment  
15.10 of reserves adequate to meet such future obligations, the tax shall terminate and shall  
15.11 not be reimposed.

15.12 **Sec. 8. METROPOLITAN SPORTS FACILITIES COMMISSION.**

15.13 The Metropolitan Sports Facilities Commission may authorize, by resolution,  
15.14 technical, professional, or financial assistance for the development of the ballpark  
15.15 upon such terms and conditions as the county and the Metropolitan Sports Facilities  
15.16 Commission may agree, including reimbursement of financial assistance from the  
15.17 proceeds of the bonds authorized in this chapter.

15.18 **Sec. 9. RAILROAD AUTHORITY CONVEYANCE.**

15.19 At the request of the authority, the Hennepin County Regional Railroad Authority  
15.20 shall convey land it owns within the development area that is not currently used for rail  
21 purposes to the authority without charge for use in connection with the ballpark and  
15.22 public infrastructure.

15.23 **Sec. 10. CITY REQUIREMENTS.**

15.24 Subdivision 1. **Third Avenue.** At the request of the authority, the city of  
15.25 Minneapolis shall vacate the portion of Third Avenue North from Seventh Street North to  
15.26 the intersection of Third Avenue North and the on-ramp to marked Interstate Highway 394  
15.27 without impeding on-ramp access.

15.28 Subd. 2. **Land conveyance.** At the request of the authority, the city of Minneapolis  
15.29 shall convey to the authority at fair market value all real property it owns that is located in  
15.30 the development area and is not currently used for road, sidewalk, or utility purposes and  
31 that the authority determines to be necessary for ballpark or public infrastructure purposes.

15.32 Subd. 3. **Liquor licenses.** The city of Minneapolis shall issue intoxicating liquor  
15.33 licenses that are reasonably requested for the premises of the ballpark. These licenses

15.34 are in addition to the number authorized by law. All provisions of Minnesota Statutes,  
16.1 chapter 340A, not inconsistent with this section apply to the licenses authorized under  
this subdivision.

16.3 Subd. 4. Charter limitations. Actions taken by the city of Minneapolis under this  
16.4 section shall not be deemed to be an expenditure or other use of city resources within the  
16.5 meaning of any charter limitation.

16.6 **Sec. 11. LOCAL TAXES.**

16.7 No local unit of government shall impose a new or additional tax on sales or uses  
16.8 of any item that is not in effect for the ballpark site on the date of enactment of this act,  
16.9 except taxes generally applicable throughout the jurisdiction.

16.10 **Sec. 12. REPEALER.**

16.11 Minnesota Statutes 2004, sections 473I.01; 473I.02; 473I.03; 473I.04; 473I.05;  
16.12 473I.06; 473I.07; 473I.08; 473I.09; 473I.10; 473I.11; 473I.12; and 473I.13, are repealed.

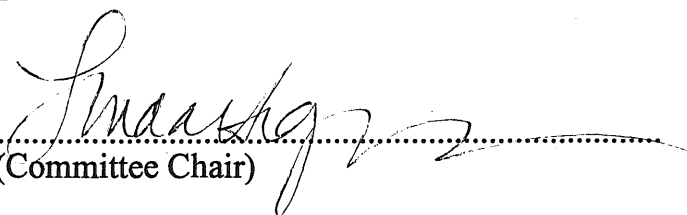
16.13 **Sec. 13. EFFECTIVE DATES.**

16.14 Sections 1 to 6 and 8 to 12 are effective the day following final enactment. Section 7  
16.15 is effective the day after the governing body of Hennepin County and its chief clerical  
16.16 officer timely complete their compliance with Minnesota Statutes, section 645.021,  
16.17 subdivisions 2 and 3."

16.18 Amend the title accordingly

16.19 And when so amended the bill do pass and be re-referred to the Committee on  
16.20 Taxes. Amendments adopted. Report adopted.

16.21  
16.22

  
(Committee Chair)

16.23 April 3, 2006 .....  
16.24 (Date of Committee recommendation)

*Adopted*

1.1 Senator Vickerman moves to amend S.F. No. 2297 as follows:

Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2004, section 10A.01, subdivision 35, is amended to  
1.4 read:

1.5 Subd. 35. **Public official.** "Public official" means any:

1.6 (1) member of the legislature;

1.7 (2) individual employed by the legislature as secretary of the senate, legislative  
1.8 auditor, chief clerk of the house, revisor of statutes, or researcher, legislative analyst, or  
1.9 attorney in the Office of Senate Counsel and Research or House Research;

1.10 (3) constitutional officer in the executive branch and the officer's chief administrative  
1.11 deputy;

1.12 (4) solicitor general or deputy, assistant, or special assistant attorney general;

1.13 (5) commissioner, deputy commissioner, or assistant commissioner of any state  
1.14 department or agency as listed in section 15.01 or 15.06;

1.15 (6) member, chief administrative officer, or deputy chief administrative officer of a  
1.16 state board or commission that has either the power to adopt, amend, or repeal rules under  
1.17 chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;

1.18 (7) individual employed in the executive branch who is authorized to adopt, amend,  
1.19 or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;

1.20 (8) executive director of the State Board of Investment;

1.21 (9) deputy of any official listed in clauses (7) and (8);

1.22 (10) judge of the Workers' Compensation Court of Appeals;

3 1.23 (11) administrative law judge or compensation judge in the State Office of  
1.24 Administrative Hearings or referee in the Department of Employment and Economic  
1.25 Development;

1.26 (12) member, regional administrator, division director, general counsel, or operations  
1.27 manager of the metropolitan council;

1.28 (13) member or chief administrator of a metropolitan agency;

1.29 (14) director of the Division of Alcohol and Gambling Enforcement in the  
1.30 Department of Public Safety;

1.31 (15) member or executive director of the Higher Education Facilities Authority;

1.32 (16) member of the board of directors or president of Minnesota Technology, Inc.; ~~or~~

1.33 (17) member of the board of directors or executive director of the Minnesota State  
4 High School League; or

1.35 (18) member of the Minnesota Ballpark Authority established in section 4.



2.1 Sec. 2. Minnesota Statutes 2004, section 297A.71, is amended by adding a subdivision  
2.2 to read:

2.3 Subd. 33. **Building materials exemption.** Materials, supplies, and equipment used  
2.4 or consumed in, and incorporated into the construction or improvement of the ballpark,  
2.5 and public infrastructure constructed pursuant to sections 3 to 12, are exempt.

2.6 Sec. 3. **CONSTRUCTION AND FINANCING OF MAJOR LEAGUE**  
2.7 **BALLPARK.**

2.8 Subdivision 1. **Purpose; findings.** The purpose of this act is to provide for the  
2.9 construction, financing, and long-term use of a ballpark primarily as a venue for major  
2.10 league baseball. It is hereby found and declared that the expenditure of public funds for  
2.11 this purpose is necessary and serves a public purpose. It is further found and declared that  
2.12 any provision in a lease or use agreement with a major league team, that requires the team  
2.13 to play its home games in a publicly funded ballpark for the duration of the lease or use  
2.14 agreement, serves a unique public purpose for which the remedies of specific performance  
2.15 and injunctive relief are essential to its enforcement. It is further found and declared  
2.16 that government assistance to facilitate the presence of major league baseball provides  
2.17 to Hennepin County, the state of Minnesota, and its citizens highly valued intangible  
2.18 benefits that are virtually impossible to quantify and, therefore, not recoverable even if  
2.19 the government receives monetary damages in the event of a team's breach of contract.  
2.20 Minnesota courts are, therefore, charged with protecting those benefits through the use  
2.21 of specific performance and injunctive relief as provided herein and in the lease and  
2.22 use agreements.

2.23 Subd. 2. **Location.** The ballpark must be located in the city of Minneapolis at a  
2.24 site within the development area.

2.25 Subd. 3. **Definitions.** As used in this act, the following terms have the meanings  
2.26 given in this subdivision:

2.27 (a) "Authority" means the Minnesota Ballpark Authority established under section 4.

2.28 (b) "Ballpark" means the stadium suitable for major league baseball to be constructed  
2.29 and financed under this act.

2.30 (c) "Ballpark costs" means, unless the context otherwise indicates, the cost of  
2.31 designing, constructing, and equipping a ballpark suitable for major league baseball.

2.32 "Ballpark cost" excludes the cost of land acquisition, site improvements, utilities, site  
2.33 demolition, environmental remediation, railroad crash wall, site furnishings, landscaping,  
2.34 railroad right-of-way development, district energy, site graphics and artwork and other

3.1 site improvements identified by the authority, public infrastructure, capital improvement  
 3.2 reserves, bond reserves, capitalized interest, and financing costs.

3.3 (d) "County" means Hennepin County.

3.4 (e) "Development area" means the area in the city of Minneapolis bounded  
 3.5 by marked Interstate Highway 394, vacated Holden Street, the Burlington Northern  
 3.6 right-of-way, Seventh Street North, Sixth Avenue North, and Fifth Street North.

3.7 (f) "Public infrastructure" means all property, facilities, and improvements  
 3.8 determined by the authority or the county to facilitate the development and use of  
 3.9 the ballpark, including but not limited to property and improvements for drainage,  
 3.10 environmental remediation, parking, roadways, walkways, skyways, pedestrian bridges,  
 3.11 bicycle paths, and transit improvements to facilitate public access to the ballpark, lighting,  
 3.12 landscaping, utilities, streets, and land acquired and prepared for private redevelopment in  
 3.13 a manner related to the use of the ballpark.

3.14 (g) "Team" means the owner and operator of the baseball team currently known  
 3.15 as the Minnesota Twins.

3.16 **Sec. 4. MINNESOTA BALLPARK AUTHORITY.**

3.17 Subdivision 1. **Establishment.** To achieve the purposes of this act, the Minnesota  
 3.18 Ballpark Authority is established as a public body, corporate and politic, and political  
 3.19 subdivision of the state. The authority is not a joint powers entity or an agency or  
 3.20 instrumentality of the county. The authority may acquire title to all land, air rights, and  
 3.21 other interests in real property needed for construction and operation of the ballpark  
 3.22 and related facilities. The authority may enter into contracts for and take all actions  
 3.23 necessary or desirable to design, construct, furnish, equip, and provide for the operation,  
 3.24 maintenance, and improvement of the ballpark and related facilities, and has all powers  
 3.25 necessary or incidental to those actions.

3.26 Subd. 2. **Composition.** (a) The Minnesota Ballpark Authority shall be governed  
 3.27 by a commission consisting of:

3.28 (1) two members appointed by the governor;

3.29 (2) two members, including the chair, appointed by the county board; and

3.30 (3) one member appointed by the governing body of the city of Minneapolis.

3.31 (b) All members appointed under paragraph (a), clause (1), serve at the pleasure of  
 3.32 the governor. All members appointed under paragraph (a), clause (2), serve at the pleasure  
 3.33 of the county board. The member appointed under paragraph (a), clause (3), serves at the  
 3.34 pleasure of the governing body of the city of Minneapolis.

3.35 (c) Compensation of members appointed under paragraph (a) is governed by  
 3.36 Minnesota Statutes, section 15.0575.

4.1 (d) One member appointed under paragraph (a), clause (1), must be a resident of  
4.2 a county other than Hennepin. All other members appointed under paragraph (a) must  
4.3 be residents of Hennepin County.

4.4 Subd. 3. Chair. The chair shall preside at all meetings of the commission, if  
4.5 present, and shall perform all other assigned duties and functions. The commission may  
4.6 appoint from among its members a vice-chair to act for the chair during the temporary  
4.7 absence or disability of the chair.

4.8 Subd. 4. Bylaws. The authority shall adopt bylaws to establish rules of procedure,  
4.9 the powers and duties of its officers, and other matters relating to the governance of the  
4.10 authority and the exercise of its powers. The bylaws adopted under this subdivision shall  
4.11 be similar in form and substance to bylaws adopted by the Metropolitan Sports Facilities  
4.12 Commission pursuant to Minnesota Statutes, section 473.553.

4.13 Subd. 5. Web site. The authority shall establish a Web site for purposes of providing  
4.14 information to the public concerning all actions taken by the authority. At a minimum, the  
4.15 Web site must contain a current version of the authority's bylaws, notices of upcoming  
4.16 meetings, minutes of the authority's meetings, and contact telephone and fax numbers for  
4.17 public comments.

4.18 **Sec. 5. POWERS OF AUTHORITY.**

4.19 Subdivision 1. Actions. The authority may sue and be sued. The authority is a  
4.20 public body and the ballpark and public infrastructure are public improvements within the  
4.21 meaning of Minnesota Statutes, chapter 562. The authority is a municipality within the  
4.22 meaning of Minnesota Statutes, chapter 466.

4.23 Subd. 2. Acquisition of property. The authority may acquire from any public or  
4.24 private entity by lease, purchase, gift, or devise all necessary right, title, and interest in and  
4.25 to real or personal property deemed necessary to the purposes contemplated by this act.

4.26 Subd. 3. Property tax exemption; special assessments. Any real or personal  
4.27 property acquired, owned, leased, controlled, used, or occupied by the authority or county  
4.28 for any of the purposes of this act is declared to be acquired, owned, leased, controlled,  
4.29 used, and occupied for public, governmental, and municipal purposes, and is exempt from  
4.30 ad valorem taxation by the state or any political subdivision of the state; provided that the  
4.31 properties are subject to special assessments levied by a political subdivision for a local  
4.32 improvement in amounts proportionate to and not exceeding the special benefit received  
4.33 by the properties from the improvement. No possible use of any of the properties in any  
4.34 manner different from their use under this act at the time may be considered in determining  
4.35 the special benefit received by the properties. Notwithstanding Minnesota Statutes, section

5.1 272.01, subdivision 2, or section 273.19, real or personal property leased by the authority  
5.2 or county to another person for uses related to the purposes of this act, including the  
5.3 operation of the ballpark and related parking facilities, is exempt from taxation regardless  
5.4 of the length of the lease. This subdivision, insofar as it provides an exemption or special  
5.5 treatment, does not apply to any real property that is leased for residential, business, or  
5.6 commercial development or other purposes different from those contemplated in this act.

5.7 Subd. 4. **Data practices; open meetings.** Except as otherwise provided in this act,  
5.8 the authority is subject to Minnesota Statutes, chapters 13 and 13D.

5.9 Subd. 5. **Facility operation.** The authority may equip, improve, operate, manage,  
5.10 maintain, and control the ballpark and related facilities constructed, remodeled, or  
5.11 acquired under this act, subject to the rights and obligations transferred to and assumed by  
5.12 the team or other user under the terms of a lease or use agreement.

5.13 Subd. 6. **Disposition of property.** The authority may sell, lease, or otherwise  
5.14 dispose of any real or personal property acquired by it that is no longer required for  
5.15 accomplishment of its purposes. The property may be sold in accordance with the  
5.16 procedures provided by Minnesota Statutes, section 469.065, except subdivisions 6 and 7,  
5.17 to the extent the authority deems to be practical and consistent with this act. Title to the  
5.18 ballpark shall not otherwise be transferred or sold without approval by the legislature.

5.19 Subd. 7. **Employees; contracts for services.** The authority may employ persons  
5.20 and contract for services necessary to carry out its functions, including the utilization of  
5.21 employees and consultants retained by other governmental entities. The authority may  
5.22 employ on the terms it deems advisable persons or firms to provide peace officers to direct  
5.23 traffic on property under the control of the authority and on the city streets in the general  
5.24 area of the property controlled by the authority.

5.25 Subd. 8. **Gifts and grants.** The authority may accept monetary contributions,  
5.26 property, services, and grants or loans of money or other property from the United States,  
5.27 the state, any subdivision of the state, any agency of those entities, or any person for any  
5.28 of its purposes, and may enter into any agreement required in connection with them. The  
5.29 authority shall hold, use, and dispose of the money, property, or services according to the  
5.30 terms of the monetary contributions, grant, loan, or agreement.

5.31 Subd. 9. **Research.** The authority may conduct research studies and programs;  
5.32 collect and analyze data; prepare reports, maps, charts, and tables; and conduct all  
5.33 necessary hearings and investigations in connection with its functions.

6.1        Subd. 10. Use agreements. The authority may lease, license, or enter into use  
6.2 agreements and may fix, alter, charge, and collect rentals, fees, and charges for the use,  
6.3 occupation, and availability of part or all of any premises, property, or facilities under  
6.4 its ownership, operation, or control for purposes that will provide athletic, educational,  
6.5 cultural, commercial, or other entertainment, instruction, or activity for the citizens of  
6.6 Minnesota and visitors. Any such use agreement may provide that the other contracting  
6.7 party has exclusive use of the premises at the times agreed upon, as well as the right to  
6.8 retain all revenues from ticket sales, suite licenses, concessions, advertising, naming  
6.9 rights, and other revenues derived from the ballpark. The lease or use agreement with a  
6.10 team shall provide for the payment by the team of operating and maintenance costs and  
6.11 expenses and provide other terms the authority and team agree to.

6.12       Subd. 11. Insurance. The authority may require any employee to obtain and  
6.13 file with it an individual bond or fidelity insurance policy. It may procure insurance in  
6.14 the amounts it considers necessary against liability of the authority or its officers and  
6.15 employees for personal injury or death and property damage or destruction, consistent  
6.16 with Minnesota Statutes, chapter 466, and against risks of damage to or destruction of any  
6.17 of its facilities, equipment, or other property.

6.18       Subd. 12. Exemption from council review; business subsidy act. The acquisition  
6.19 and betterment of a ballpark by the authority must be conducted pursuant to this act and  
6.20 are not subject to Minnesota Statutes, sections 473.165 and 473.173. Minnesota Statutes,  
6.21 section 116J.994, does not apply to any transactions of the county, the authority, or other  
6.22 governmental entity related to the ballpark or public infrastructure, or to any tenant or  
6.23 other users of them.

6.24       Subd. 13. Local government action; environmental review. Local governmental  
6.25 units shall take action promptly and within project design and construction timetables on  
6.26 applications for building permits and certificates of occupancy. The county shall be the  
6.27 responsible governmental unit for any environmental impact statement prepared under  
6.28 Minnesota Statutes, section 116D.04. Governmental units granted authority under this act  
6.29 may make decisions and take actions to acquire land, obtain financing, and impose the tax  
6.30 under section 7, prior to completion of environmental review.

6.31       Subd. 14. Contracts. The authority may enter into a development agreement with  
6.32 the team, the county, or any other entity relating to the construction, financing, and  
6.33 use of the ballpark and related facilities and public infrastructure. The authority may  
6.34 contract for materials, supplies, and equipment in accordance with Minnesota Statutes,  
6.35 section 471.345, except that the authority, with the consent of the county, may employ

7.1 or contract with persons, firms, or corporations to perform one or more or all of the  
7.2 functions of architect, engineer, or construction manager with respect to all or any part of  
7.3 the ballpark and public infrastructure. Alternatively, at the request of the team and with  
7.4 the consent of the county, the authority shall authorize the team to provide for the design  
7.5 and construction of the ballpark, subject to terms of this act. The construction manager  
7.6 may enter into contracts with contractors for labor, materials, supplies, and equipment  
7.7 for the construction of the ballpark through the process of public bidding, except that the  
7.8 construction manager may, with the consent of the authority or the team:

7.9 (1) narrow the listing of eligible bidders to those which the construction manager  
7.10 determines to possess sufficient expertise to perform the intended functions;

7.11 (2) award contracts to the contractors that the construction manager determines  
7.12 provide the best value, which are not required to be the lowest responsible bidder; and

7.13 (3) for work the construction manager determines to be critical to the completion  
7.14 schedule, award contracts on the basis of competitive proposals or perform work with  
7.15 its own forces without soliciting competitive bids if the construction manager provides  
7.16 evidence of competitive pricing.

7.17 The authority may require that the construction manager shall certify, before the contract  
7.18 is finally signed, a certified, fixed, and stipulated construction price and completion date  
7.19 to the authority and shall post a bond in an amount at least equal to 100 percent of the  
7.20 certified price, to cover any costs, which may be incurred in excess of the certified price,  
7.21 including but not limited to costs incurred by the authority or loss of revenues resulting  
7.22 from incomplete construction on the completion date. The authority may secure surety  
7.23 bonds as provided in Minnesota Statutes, section 574.26, securing payment of just claims  
7.24 in connection with all public work undertaken by it. Persons entitled to the protection  
7.25 of the bonds may enforce them as provided in Minnesota Statutes, sections 574.28 to  
7.26 574.32, and shall not be entitled to a lien on any property of the authority under the  
7.27 provisions of Minnesota Statutes, sections 514.01 to 514.16. Contracts for construction  
7.28 and operation of the ballpark must include programs to provide for participation by small,  
7.29 local, women, and minority businesses, and the inclusion of women and people of color  
7.30 in the workforces of contractors and ballpark operators.

7.31 Subd. 15. **Zoning and planning.** It is hereby found and declared that the  
7.32 construction of a ballpark within the development area is consistent with the adopted  
7.33 area plan, is the preferred ballpark location, and is a permitted land use. Local units of  
7.34 government may not impose restrictions or conditions on ballpark and public infrastructure  
7.35 land use approvals except those which are based on reasonable land use grounds and  
7.36 criteria which are within their jurisdiction to apply. This subdivision applies to establish a

8.1 procedure for all land use reviews and approvals by local governments for the ballpark  
8.2 and related public infrastructure and supersedes all land use rules and restrictions and  
8.3 procedures imposed by other law, charter, or ordinance. Minnesota Statutes, section 15.99,  
8.4 subdivision 3, paragraphs (f) and (g), shall not apply. Within 60 days of enactment, the city  
8.5 of Minneapolis and the county shall establish a ballpark implementation committee with  
8.6 equal representation from the city of Minneapolis and county to make recommendations  
8.7 on street vacation, parking, roadways, walkways, skyways, pedestrian bridges, bicycle  
8.8 paths, transit improvements to facilitate public street access to the ballpark, and integration  
8.9 into the transportation plan for downtown and the region, lighting, landscaping, utilities,  
8.10 streets, drainage, environmental remediation, and land acquired and prepared for private  
8.11 redevelopment in a manner related to the use of the ballpark. The recommendations of  
8.12 the committee shall be forwarded to the city of Minneapolis Planning Commission for an  
8.13 advisory recommendation and then to the city council for action in a single resolution.

8.14 **Sec. 6. CRITERIA AND CONDITIONS.**

8.15 Subdivision 1. **Binding and enforceable.** In developing the ballpark and entering  
8.16 into related contracts, the authority must follow and enforce the criteria and conditions in  
8.17 subdivisions 2 to 14, provided that a determination by the authority that those criteria or  
8.18 conditions have been met under any agreement or otherwise shall be conclusive.

8.19 Subd. 2. **Team contributions.** The team must agree to contribute \$125,000,000  
8.20 toward ballpark costs, less a proportionate share of any amount by which actual ballpark  
8.21 costs may be less than a budgeted amount of \$360,000,000. The team contributions  
8.22 must be funded in cash during the construction period. In addition to any other team  
8.23 contribution, the team must agree to assume and pay when due all cost overruns for the  
8.24 ballpark costs that exceed the budget, excluding land, site improvements, and public  
8.25 infrastructure.

8.26 Subd. 3. **Reserve for capital improvements.** The authority shall require that  
8.27 a reserve fund for capital improvements to the stadium be established and funded with  
8.28 annual team payments of \$600,000 and annual payments from other sources of \$1,400,000,  
8.29 which annual payments shall increase according to an inflation index determined by the  
8.30 authority. The authority may accept contributions from the county or other source for the  
8.31 portion of the funding not required to be provided by the team.

8.32 Subd. 4. **Lease or use agreements.** The authority and team must agree to a  
8.33 long-term lease or use agreement with the team for its use of the ballpark. The team  
8.34 must agree to play all regularly scheduled and postseason home games at the ballpark.  
8.35 Preseason games may also be scheduled and played at the ballpark. The lease or use



9.1 agreement must be for a term of at least 30 years from the date of ballpark completion.  
9.2 The lease or use agreement must include terms for default, termination, and breach of the  
9.3 agreement. Recognizing that the presence of major league baseball provides to Hennepin  
9.4 County, the state of Minnesota, and its citizens highly valued, intangible benefits that  
9.5 are virtually impossible to quantify and, therefore, not recoverable in the event of a  
9.6 team owner's breach of contract, the lease and use agreements must provide for specific  
9.7 performance and injunctive relief to enforce provisions relating to use of the ballpark for  
9.8 major league baseball and must not include escape clauses or buyout provisions.

9.9 Subd. 5. Notice requirement for certain events. Until 30 years from the date  
9.10 of ballpark completion, the team must provide written notice to the authority not less  
9.11 than 90 days prior to any action, including any action imposed upon the team by Major  
9.12 League Baseball, which would result in a breach or default of provisions of the lease  
9.13 or use agreements required to be included under subdivision 4. If this notice provision  
9.14 is violated and the team has already breached or been in default under the required  
9.15 provisions, the authority, the county, or the state of Minnesota is authorized to specifically  
9.16 enforce the lease or use agreement, and Minnesota courts are authorized and directed to  
9.17 fashion equitable remedies so that the team may fulfill the conditions of the lease and use  
9.18 agreements, including, but not limited to, remedies against Major League Baseball.

9.19 Subd. 6. Enforceable financial commitments. The authority must determine before  
9.20 ballpark construction begins that all public and private funding sources for construction  
9.21 and operation of the ballpark are included in written agreements. The committed funds  
9.22 must be adequate to design, construct, furnish, and equip the ballpark.

9.23 Subd. 7. Community ownership option. (a) The lease or use agreement for the  
9.24 ballpark must provide that if the owner of the team seeks to sell the team during the term  
9.25 of the agreement, the owner must provide a right of first refusal to a corporation formed to  
9.26 provide community ownership of the team.

9.27 (b) A corporation formed to exercise a right of first refusal must comply with major  
9.28 league baseball ownership rules. To the extent consistent with those rules, no person may  
9.29 own more than 35 percent of the common stock of the corporation, and at least 50 percent  
9.30 of the ownership of the common stock must be sold so that no person or entity owns more  
9.31 than one percent. The corporation must include a class of preferred stock. The articles of  
9.32 incorporation, bylaws, and other governing documents of the corporation must provide  
9.33 that the team may not move outside of the state or agree to voluntary contraction without  
9.34 approval of at least 75 percent of the shares of common stock and at least 75 percent of



10.1 the shares of preferred stock. Notwithstanding any law to the contrary, these 75 percent  
10.2 approval requirements must not be amended by the shareholders or by any other means.

10.3 Subd. 8. Environmental requirements. The authority must comply with all  
10.4 environmental requirements imposed by regulatory agencies for the ballpark, site, and  
10.5 structure.

10.6 Subd. 9. Public share upon sale of team. The lease or use agreement must  
10.7 provide that, if the team is sold after the effective date of this act, a portion of the sale  
10.8 price must be paid to the authority and deposited in a reserve fund for improvements to  
10.9 the ballpark or expended as the authority may otherwise direct. The portion required to  
10.10 be so paid to the authority is 18 percent of the gross sale price, declining to zero ten  
10.11 years after commencement of ballpark construction in increments of 1.8 percent each  
10.12 year. The agreement shall provide exceptions for sales to members of the owner's family  
10.13 and entities and trusts beneficially owned by family members, sales to employees of  
10.14 equity interests aggregating up to ten percent, and sales related to capital infusions not  
10.15 distributed to the owners.

10.16 Subd. 10. Access to books and records. The authority must seek a provision in  
10.17 the lease or use agreement that provides the authority access to annual audited financial  
10.18 statements of the team and other financial books and records that the authority deems  
10.19 necessary to determine compliance by the team with this act and to enforce the terms  
10.20 of any lease or use agreements entered into under this act. Any financial information  
10.21 obtained by the authority under this subdivision is nonpublic data under Minnesota  
10.22 Statutes, section 13.02, subdivision 9.

10.23 Subd. 11. Affordable access. To the extent determined by the authority or required  
10.24 by a grant agreement, any lease or use agreement must provide for affordable access to the  
10.25 professional sporting events held in the ballpark.

10.26 Subd. 12. No strikes; lockouts. The authority must use its best efforts to negotiate a  
10.27 public sector project labor agreement or other agreement to prevent strikes and lockouts  
10.28 that would halt, delay, or impede construction of the ballpark and related facilities.

10.29 Subd. 13. Youth and amateur sports. The lease or use agreement must require that  
10.30 the team provide or cause to be provided \$250,000 annually for the term of the agreement  
10.31 for youth activities and amateur sports without reducing the amounts otherwise normally  
10.32 provided for and on behalf of the team for those purposes. The amount shall increase  
10.33 according to an inflation factor not to exceed 2.5 percent annually and may be subject to a  
10.34 condition that the county fund grants for similar purposes as authorized by this act.

11.1           Subd. 14. Name retention. The lease or use agreement must provide that the  
 11.2           team and league will transfer to the state of Minnesota the Minnesota Twins' heritage  
 11.3           and records, including the name, logo, colors, history, playing records, trophies and  
 11.4           memorabilia in the event of any dissolution or relocation of the Twins franchise.

11.5           Subd. 15. Sustainable building guidelines. The construction process used for a  
 11.6           ballpark constructed under this act must, to the extent feasible, follow sustainable building  
 11.7           guidelines established under section 16B.325.

11.8           Sec. 7. COUNTY ACTIVITIES; BONDS; TAXES.

11.9           Subdivision 1. Activities; contracts. (a) The county may authorize, by resolution,  
 11.10           and make one or more grants to the authority for ballpark development and construction,  
 11.11           public infrastructure, reserves for capital improvements, operating expenses, and other  
 11.12           purposes related to the ballpark on the terms and conditions agreed to by the county and  
 11.13           the authority.

11.14           (b) To the extent funds are available from collections of the tax authorized by  
 11.15           subdivision 3 after payment each year of debt service on the bonds authorized and issued  
 11.16           under subdivision 2 and payments for the purposes described in paragraph (a), the county  
 11.17           may also:

11.18           (1) authorize by resolution and expend or make grants to the authority and to  
 11.19           other governmental units and nonprofit organizations in an aggregate amount of up to  
 11.20           \$2,000,000 annually for youth activities and amateur sports; and

11.21           (2) authorize by resolution expenditure of up to \$2,000,000 annually to pay the cost  
 11.22           of extending the hours of operation of county libraries and Minneapolis public libraries.

11.23           The maximum amounts of the expenditures under clause (1) may be increased by up  
 11.24           to 2.5 percent per year after the first year of the expenditure for that purpose.

11.25           (c) The amount that the county may grant or expend for ballpark costs shall not  
 11.26           exceed \$235,000,000. The amount of any grant for capital improvement reserves shall not  
 11.27           exceed \$1,400,000 annually, subject to annual increases according to an inflation index  
 11.28           acceptable to the county. This act does not limit the amount of grants or expenditures  
 11.29           for land, site improvements, and public infrastructure. Such agreements are valid and  
 11.30           enforceable notwithstanding that they involve payments in future years and they do not  
 11.31           constitute a debt of the county within the meaning of any constitutional or statutory  
 11.32           limitation or for which a referendum is required. The county may acquire land, air rights,  
 11.33           and other property interests within the development area for the ballpark site and public  
 11.34           infrastructure and convey it to the authority with or without consideration, prepare a site  
 11.35           for development as a ballpark, and acquire and construct any related public infrastructure.  
 11.36           The county may review and approve ballpark designs, plans, and specifications to the

12.1 extent provided in a grant agreement and in order to ensure that the public purposes of  
12.2 the grant are carried out. Public infrastructure designs must optimize area transit and  
12.3 bicycle opportunities, including connections to existing trails. The county may enforce the  
12.4 provisions of any grant agreement by specific performance. Except to require compliance  
12.5 with the conditions of the grant, the county has no interest in or claim to any assets or  
12.6 revenues of the authority. The county may initiate an environmental impact statement as  
12.7 the responsible governmental unit under Minnesota Statutes, section 116D.04, and conduct  
12.8 other studies and tests necessary to evaluate the suitability of the ballpark site. The county  
12.9 has all powers necessary or convenient for those purposes and may enter into any contract  
12.10 for those purposes. The county may reimburse a local governmental entity within its  
12.11 jurisdiction or make a grant to such a governmental unit for site acquisition, preparation of  
12.12 the site for ballpark development, and public infrastructure. Amounts expended by a local  
12.13 governmental unit with the proceeds of a grant or in expectation of reimbursement by the  
12.14 county shall not be deemed an expenditure or other use of local governmental resources  
12.15 by the governmental unit within the meaning of any law or charter limitation. Exercise by  
12.16 the county of its powers under this section shall not affect the amounts that the county is  
12.17 otherwise eligible to spend, tax, or receive under any law.

12.18 (d) It is the intent of the legislature that, except as expressly limited herein, the  
12.19 county has the authority to acquire and develop a site for the ballpark, to enter into  
12.20 contracts with the authority and other governmental entities, to appropriate funds, and  
12.21 to make employees, consultants, and other revenues available for those purposes.  
12.22 The county may exercise for those purposes all the powers of a city, a housing and  
12.23 redevelopment authority, a port authority, a community development agency, and an  
12.24 economic development authority notwithstanding any limitations on the powers of those  
12.25 entities with respect to the development of sports facilities buildings designed or used  
12.26 primarily for professional sports.

12.27 Subd. 2. **County revenue bonds.** The county may, by resolution, authorize, sell,  
12.28 and issue revenue bonds to provide funds to make a grant to the authority and to finance  
12.29 all or a portion of the costs of site acquisition, site improvements and other activities  
12.30 necessary to prepare a site for development of a stadium, and to acquire and construct  
12.31 any related parking facilities and other public infrastructure. The county may also, by  
12.32 resolution, issue bonds to refund the bonds issued pursuant to this section. The bonds must  
12.33 be limited obligations, payable solely from or secured by taxes levied under subdivision 3,  
12.34 and any other revenues to become available under this act. The bonds may be issued in  
12.35 one or more series and sold without an election. The bonds shall be sold in the manner  
12.36 provided by Minnesota Statutes, section 475.60. The bonds shall be secured, bear

13.1 the interest rate or rates or a variable rate, have the rank or priority, be executed in the  
13.2 manner, be payable in the manner, mature, and be subject to the defaults, redemptions,  
13.3 repurchases, tender options, or other terms, as the county may determine. The county may  
13.4 enter into and perform all contracts deemed necessary or desirable by it to issue and  
13.5 secure the bonds, including an indenture of trust with a trustee within or without the state.  
13.6 The debt represented by the bonds shall not be included in computing any debt limitation  
13.7 applicable to the county. Subject to this subdivision, the bonds must be issued and sold in  
13.8 the manner provided in Minnesota Statutes, chapter 475. The bonds shall recite that they  
13.9 are issued under this act and the recital shall be conclusive as to the validity of the bonds  
13.10 and the imposition and pledge of the taxes levied for their payment. In anticipation of the  
13.11 issuance of the bonds authorized under this subdivision and the collection of taxes levied  
13.12 under subdivision 3, the county may provide funds for the purposes authorized by this act  
13.13 through interfund loans from other available funds of the county.

13.14 Subd. 3. Sales and use tax. (a) Notwithstanding Minnesota Statutes, section  
13.15 477A.016, or any other law, the governing body of the county may, by ordinance, impose  
13.16 an additional sales tax at a rate not to exceed 0.15 percent on sales taxable under Minnesota  
13.17 Statutes, chapter 297A, that occur within the county, and may also, by ordinance, impose a  
13.18 compensating use tax at a rate not to exceed 0.15 percent on uses of property within the  
13.19 county, the sale of which would be subject to the additional sales tax but for the fact that  
13.20 the property was sold outside the county.

13.21 (b) Voter approval is not required for imposition of the taxes authorized by paragraph  
13.22 (a). The tax authorized under this act and the manner by which it is imposed are exempt  
13.23 from Minnesota Statutes, section 297A.99, subdivisions 2 and 3.

13.24 (c) The tax must be dedicated to the purposes described in this act and terminates  
13.25 upon payment or provision for payment of all bonds issued under subdivision 2 and  
13.26 the payment or provision for payment of all obligations of the county under any grant  
13.27 agreements or funding commitments entered into pursuant to this act.

13.28 (d) To the extent not inconsistent with this act, the provisions of Minnesota Statutes,  
13.29 sections 297A.95; 297A.96; 297A.98; and 297A.99, subdivisions 4, 5, 6, 7, 8, 9, 10, 11,  
13.30 and 12, apply to the tax.

13.31 (e) The tax shall not be included in determining the amount of sales tax that may be  
13.32 imposed on lodging in the city of Minneapolis for purposes of the limitation contained  
13.33 in Laws 1986, chapter 396, section 5, or in determining the amount of tax that may be  
13.34 imposed under any other limitation.

13.35 (f) In the event of any amendment to Minnesota Statutes, chapter 297A, enacted  
13.36 subsequent to the effective date of this act that exempts sales or uses that were taxable

14.1 under Minnesota Statutes, chapter 297A, on the effective date of this act, the county may,  
14.2 by ordinance, adjust the tax rate authorized in this section, provided that the governing  
14.3 body shall have determined that such adjustment is necessary to provide revenues for  
14.4 the uses to which taxes may be applied under this section and further provided that,  
14.5 in the estimation of the governing body, the aggregate annual collections following  
14.6 such adjustment will not exceed the aggregate annual collections that would have been  
14.7 generated if Minnesota Statutes, chapter 297A, as in effect on the effective date of this act,  
14.8 were then in effect. Any bonds issued in accordance with this act may, with the consent  
14.9 of the governing body, contain a covenant that the tax will be so adjusted to the extent  
14.10 necessary to pay principal and interest on the bonds when due.

14.11 Subd. 4. Uses of taxes. Revenues received from the tax imposed under subdivision  
14.12 3 may be used:

14.13 (1) to pay costs of collection;

14.14 (2) to pay or secure the payment of any principal of, premium, or interest on bonds  
14.15 issued in accordance with this act;

14.16 (3) to pay costs and make grants described in subdivision 1, including financing  
14.17 costs related to them; and

14.18 (4) to maintain reserves for the foregoing purposes deemed reasonable and  
14.19 appropriate by the county.

14.20 After completion of the ballpark and public infrastructure, the tax revenues not  
14.21 required for current payments of the expenditures described above shall be used to (i)  
14.22 redeem or defease the bonds and (ii) prepay or establish a fund for payment of future  
14.23 obligations under grants or other commitments for future expenditures which are permitted  
14.24 by subdivision 1. Upon the redemption or defeasance of the bonds and the establishment  
14.25 of reserves adequate to meet such future obligations, the tax shall terminate and shall  
14.26 not be reimposed.

14.27 Sec. 8. METROPOLITAN SPORTS FACILITIES COMMISSION.

14.28 The Metropolitan Sports Facilities Commission may authorize, by resolution,  
14.29 technical, professional or financial assistance for the development of the ballpark  
14.30 upon such terms and conditions as the county and the Metropolitan Sports Facilities  
14.31 Commission may agree, including reimbursement of financial assistance from the  
14.32 proceeds of the bonds authorized in this chapter.

14.33 Sec. 9. RAILROAD AUTHORITY CONVEYANCE.

14.34 At the request of the authority, the Hennepin County Regional Railroad Authority  
14.35 shall convey land it owns within the development area that is not currently used for rail

15.1 purposes to the authority without charge for use in connection with the ballpark and  
15.2 public infrastructure.

15.3 **Sec. 10. CITY REQUIREMENTS.**

15.4 Subdivision 1. **Third avenue.** At the request of the authority, the city of  
15.5 Minneapolis shall vacate the portion of Third Avenue North from Seventh Street North to  
15.6 the intersection of Third Avenue North and the on-ramp to marked Interstate Highway 394  
15.7 without impeding on-ramp access.

15.8 Subd. 2. **Land conveyance.** At the request of the authority, the city of Minneapolis  
15.9 shall convey to the authority at fair market value all real property it owns that is located in  
15.10 the development area and is not currently used for road, sidewalk, or utility purposes and  
15.11 that the authority determines to be necessary for ballpark or public infrastructure purposes.

15.12 Subd. 3. **Liquor licenses.** The city of Minneapolis shall issue intoxicating liquor  
15.13 licenses that are reasonably requested for the premises of the ballpark. These licenses  
15.14 are in addition to the number authorized by law. All provisions of Minnesota Statutes,  
15.15 chapter 340A, not inconsistent with this section apply to the licenses authorized under  
15.16 this subdivision.

15.17 Subd. 4. **Charter limitations.** Actions taken by the city of Minneapolis under this  
15.18 section shall not be deemed to be an expenditure or other use of city resources within the  
15.19 meaning of any charter limitation.

15.20 **Sec. 11. LOCAL TAXES.**

15.21 No local unit of government shall impose a new or additional tax on sales or uses  
15.22 of any item that is not in effect for the ballpark site on the date of enactment of this act,  
15.23 except taxes generally applicable throughout the jurisdiction.

15.24 **Sec. 12. REPEALER.**

15.25 Minnesota Statutes 2004, sections 473I.01; 473I.02; 473I.03; 473I.04; 473I.05;  
15.26 473I.06; 473I.07; 473I.08; 473I.09; 473I.10; 473I.11; 473I.12; and 473I.13, are repealed.

15.27 **Sec. 13. EFFECTIVE DATES.**

15.28 Sections 1 to 6 and 8 to 12 are effective the day following final enactment. Section 7  
15.29 is effective the day after the governing body of Hennepin County and its chief clerical  
15.30 officer timely complete their compliance with Minnesota Statutes, section 645.021,  
15.31 subdivisions 2 and 3."

*Withdraw*

1.1 Senator *Higgins* ..... moves to amend the delete-everything amendment (DV0016)  
1.2 to S.F. No. 2297 as follows:

1.3 Page 2, line 23, before "Location" insert "Name;" and after "be" insert "named  
1.4 Kirby Puckett Park and"

1.1 Senator *Higgins*..... moves to amend the delete-everything amendment (DV0016)  
1.2 to S.F. No. 2297 as follows:

1.3 Page 10, line 5, after the period, insert "The authority must ensure that the  
1.4 ballpark receives Leadership in Energy and Environmental Design (LEED) certification  
1.5 for environmental design, and to the extent practicable, that the ballpark design is  
1.6 architecturally significant."



*Adopted*

1.1 Senator *Tomassoni* moves to amend the delete-everything amendment (DV0016)  
1.2 to S.F. No. 2297 as follows:

1.3 Page 11, after line 7, insert:

1.4 "Subd. 16. American steel. The authority must ensure that a ballpark constructed  
1.5 under this act be, to the greatest extent practicable, constructed of American-made steel."

1.1 Senator *Wiger* moves to amend the delete-everything amendment (DV0016)  
1.2 to S.F. No. 2297 as follows:

1.3 Page 11, after line 7, insert:

1.4 "Subd. 16. **Naming of press box.** The authority must place a placard or other  
1.5 appropriate monumentation designating the ballpark press box as the "Sid Hartman  
1.6 Press Box" to honor Sid Hartman of the StarTribune for his many years of service to the  
1.7 Minnesota sports community and his tireless efforts to ensure that the construction and  
1.8 operation of the ballpark came to fruition."

1.1 Senator Dibbk moves to amend the delete-everything amendment (DV0016)  
1.2 to S.F. No. 2997 as follows:

1.3 Page 9, delete lines 23 to 34

1.4 Page 10, delete lines 1 and 2 and insert:

1.5 "Subd. 7. Community ownership option. (a) The lease or use agreement for the  
1.6 baseball facility must provide that if the owner of the baseball franchise seeks to sell the  
1.7 franchise during the term of the agreement, the franchise must first be offered for sale to  
1.8 the entity formed in compliance with paragraph (b) on the same terms offered to any other  
1.9 entity. The offer to sell the franchise to this entity must remain open for at least one  
1.10 year. The amounts that would otherwise be returned to the public under subdivision 9  
1.11 may be used by an entity created under paragraph (b) to offset the cost of acquiring the  
1.12 baseball franchise.

3 (b) The governor and the authority must attempt to facilitate the formation of  
1.14 a corporation to acquire the baseball franchise and to identify an individual private  
1.15 managing owner of the corporation. The corporation formed to acquire the franchise shall  
1.16 have a capital structure in compliance with all of the following provisions:

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

1.20 (2) the private managing owner must own no less than 25 percent and no more than  
1.21 35 percent of the common stock. For purposes of this restriction, shares of common stock  
1.22 owned by the private managing owner include shares of commons stock owned by any  
23 related taxpayer as defined in section 1313(c) of the Internal Revenue Code of 1986, as  
1.24 amended. Other than the rights of all other holders of common stock and preferred stock  
1.25 with respect to relocation of the franchise or voluntary contraction, the private managing  
1.26 owner must control all aspects of the operation of the corporation;

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

1.29 (4) at least 50 percent of the ownership of the common stock must be sold to  
1.30 members of the general public in a general solicitation and no person or entity must own  
1.31 more than one percent of common stock of the corporation; and

1.32 (5) the articles of incorporation, bylaws, and other governing documents must  
1.33 provide that the franchise may not move outside of the state or agree to voluntary  
1.35 contraction without approval of at least 75 percent of the shares of common stock and at  
least 75 percent of the shares of preferred stock. Notwithstanding any law to the contrary,

2.1 these 75 percent approval requirements shall not be amended by the shareholders or  
2.2 by any other means.

2.3 (c) Except as specifically provided by this act, no state agency may spend money  
2.4 from any state fund for the purpose of generating revenue under this subdivision or for the  
2.5 purpose of providing operating support or defraying operating losses of a professional  
2.6 baseball franchise."

2.7 Page 10, line 10, delete everything after "is"

2.8 Page 10, delete lines 11 to 15 and insert "75 percent of the increased value of the  
2.9 team."

1.1 Senator *Marko* moves to amend the delete-everything amendment (DV0016)  
1.2 to S.F. No. 2297 as follows:

1.3 Page 12, line 3, before "existing" insert "planned or" ~~and delete~~ <sup>*and transportation*</sup> "trails" and insert "  
1.4 transportation corridors, including Central, Hiawatha, I-394, Northstar, Northwest, Red  
1.5 Rock, Rush Line, and Southwest" <sub>*corridor*</sub>

1.1 Senator Dibble..... moves to amend the delete-everything amendment (DV0016)  
1.2 to S.F. No. 2297 as follows:

1.3 Page 15, after line 19, insert:

1.4 "Sec. 11. METROPOLITAN AREA SALES TAX.

1.5 Subdivision 1. Sales and use tax authorized. Notwithstanding Minnesota

1.6 Statutes, section 477A.016, or any other provision of law, ordinance, or city charter, the

1.7 Metropolitan Council shall impose by resolution a sales and use tax of up to one-half of

1.8 one percent on sales in the metropolitan area for the purposes specified in subdivision 2.

1.9 Except as otherwise provided in this section, the provisions of Minnesota Statutes, section

1.10 297A.99, govern the imposition, administration, collection, and enforcement of the tax

1.11 authorized under this subdivision.

1.12 Subd. 2. Use of revenues. After deductions allowed by law, revenues received

1.13 from taxes authorized by subdivision 1 must be deposited in the general fund of the state

1.14 treasury and are appropriated as follows:

1.15 (1) \$..... to the Metropolitan Council to be distributed to the authority required by

1.16 law to be responsible for the location, construction, financing, and use of a new stadium

1.17 for the use of the Minnesota Twins;

1.18 (2) \$..... to the Metropolitan Council to be used for improvements to and operation

1.19 of parks and trails in the metropolitan area; and

1.20 (3) the remainder of the revenues to the Metropolitan Council to provide operating

1.21 and capital assistance to metropolitan area transit to pay for acquisition of buses, highway

1.22 shoulder improvements for buses, and other capital and operating expenses related to

1.23 metropolitan area transit systems."

1.24 Page 15, line 31, after the period, insert "Section 11 is effective July 1, 2006."

1.25 Renumber the sections in sequence and correct the internal references

1.26 Amend the title accordingly

SF 2297  
Jerry Bell

## Hennepin County/Twins New Ballpark Fact Sheet

### Ballpark:

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- ◆ 42,000-seat, open-air, natural grass baseball park with a view of the Minneapolis skyline.
- ◆ The ballpark would anchor a large-scale, mixed-use development in Downtown Minneapolis.

### Site:

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- ◆ Historic Warehouse District of Minneapolis, adjacent to Target Center.
- ◆ Unprecedented accessibility with Light Rail Transit, proposed Northstar Commuter Rail, Interstate 394/94, bus depot, Cedar Lake Bike Trail, walking distance from downtown with skyway potential.
- ◆ Over 23,000 parking spaces within five blocks, including approximately 7,700 in the surrounding TAD ramps.

### Seating:

---

- ◆ Closest seating bowl to playing field in all of MLB.
- ◆ 12,000 seats between 1<sup>st</sup> and 3<sup>rd</sup> base (almost 2x the Metrodome).
- ◆ All seats angled toward infield.
- ◆ Rooftop seating in right field.
- ◆ Only 12,000 upper deck seats (lowest in MLB).
- ◆ Suites and club-level seats.
- ◆ Affordable seating.
- ◆ 1,500 standing room only places.



### 10 reasons the new ballpark will be more comfortable than the Metrodome or Metropolitan Stadium:

---

1. 34 public restrooms (2x the Metrodome).
2. Heating in concession, restroom and bar/lounge areas.
3. Main concourse provides for 360° covered walk area.
4. Concourses twice as wide as Metrodome.
5. Concourses open to playing field (like Xcel Energy Center).
6. Upper deck is wind protected by a back wall and sun roof.
7. Ballpark orientation and design will shelter prevailing winds.
8. Twice as many concession stands for fan convenience.
9. Fans will be able to watch baseball outside as it is meant to be played.
10. The Team and County are pursuing ways to use the HERC plant to provide additional heat and/or energy to the ballpark.

# Hennepin County/Twins New Ballpark Financing Summary

## Team Commitments

- ◆ \$125.0 million cash contribution.
- ◆ 30-year ironclad lease.
- ◆ Assumption of ballpark cost overruns.
- ◆ Payment of 100% of annual ballpark operating expenses (\$10.0 million per year estimate).\*
- ◆ \$600,000 per year for capital improvements.\*
- ◆ \$250,000 per year for youth activities and amateur sports.\*
- ◆ Sharing up to 18% of franchise sale proceeds declining through 2016.
- ◆ Provide for affordable tickets.

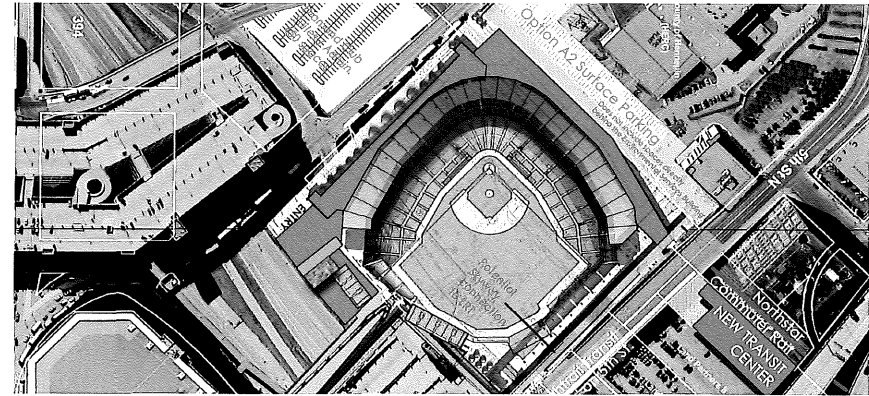
## County Commitments

- ◆ Pay for County share (see table to right) by issuing tax-exempt County revenue bonds payable with a .0015 countywide sales tax increase.
  - 3¢ on a \$20 purchase.
  - Excludes clothing, food and medical supplies.
- ◆ \$1.4 million per year for capital improvements.\*
- ◆ Up to \$2.0 million per year for youth activities and amateur sports\*, and up to \$2.0 million per year for additional library hours (if available from excess bond revenues).

## Other Considerations

- ◆ State will collect over \$10.0 million annually from ballpark-related sales and player income taxes.
- ◆ Construction alone will generate approximately 500 full-time equivalent jobs for nearly 3 years.
- ◆ No roof unless a funding source is determined by state legislature.
  - Roof ready is not a practical option from a cost or logistical standpoint.
- ◆ The County and Team arrangement is null and void if a referendum is required.
  - The project is not feasible due to related time delay, interest rate risk and project inflation.
- ◆ Provision for minority-owned and small business participation.
- ◆ Provision for using environmentally friendly materials and procedures within the ballpark, including a district heating system, using waste heat from HERC, etc.

\* Escalates over time.



## Financing Summary (Dollars in Millions)

	Team Share	County Share	Total
<b>Project Costs</b>			
Ballpark Construction Costs	\$ 125	\$ 235	\$ 360
On/Off Site Development Costs	-	84	84
<b>Total Project Costs</b>	<b>\$ 125</b> <sup>1</sup>	<b>\$ 319</b> <sup>1</sup>	<b>\$ 444</b>
<b>Sources and Uses Statement<sup>2</sup></b>			
Approximate Sources of Funds:			
Team Up-Front Cash Contribution	\$ 40		\$ 40
Team Second Cash Payment Before Completion	85		85
Net Proceeds From County Financing		\$ 319	319
<b>Total Sources</b>	<b>\$ 125</b>	<b>\$ 319</b>	<b>\$ 444</b>
Approximate Uses of Funds:			
Ballpark Construction			\$ 360
On/Off Site Development Costs			84
<b>Total Uses</b>			<b>\$ 444</b>
<b>Estimated Sizing of County Debt</b>			
Net Proceeds from County Debt Issuance			\$ 319
Issuance Cost/Debt Service Reserve/Bond Insurance			34
<b>Total County Debt Issuance</b>			<b>\$ 353</b>
Estimated Annual County Debt Service Payment		\$ 21.5	
Estimated Annual Tax Revenue Required at 130% Coverage		28.0	
Estimated Annual Sales Tax Proceeds at .15%		28.0	
<b>County Debt Statistics</b>			
Estimated Average Interest Rate (Variable and Fixed Rate Debt)		4.75% <sup>2</sup>	
Coupon Range		3.4%-5.15%	
Assumed Underlying Rating (Coverate Ratio 130%)		"A"	
Insured Rating		"AAA"	

<sup>1</sup> The team share can increase to \$127.5; the County share can increase to \$321.5 based on cost sharing associated with surface parking.

<sup>2</sup> It is assumed current market rates plus 50 basis points.



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# PRESS RELEASE

12/23/2003 1:32 PM ET

## Cardinals finalize financing for new ballpark

### Fans invited to participate in groundbreaking ceremony



ST. LOUIS -- The St. Louis Cardinals announced today that they have the necessary funding in place to build a new ballpark in downtown St. Louis. Work on the site will begin in earnest today. The new ballpark will open in April 2006.

Unlike most other publicly financed and publicly owned professional sports facilities developed in the U.S. during the past 20 years, the new home of the Cardinals will be owned by the team and privately financed using a combination of private bonds -- which the Cardinals are required to repay, bank loans, cash from Cardinal owners and a long-term loan from St. Louis County. Banc of America Securities acted as financial advisor to the Cardinals and placed the private bonds. Ambac Assurance Corporation provided an AAA/Aaa financial guaranty policy for the private bonds.

"When we purchased the Cardinals prior to the 1996 season we made a commitment to baseball's best fans that we would do what was necessary to enhance the proud tradition of success this great franchise has enjoyed for over 100 years," said William O. Dewitt, Jr., St. Louis Cardinals Chairman and General Partner.

"Today's announcement underscores our commitment to ensure the Cardinals remain a stable, winning franchise for years to come."

"For the Cardinals to be able to privately finance the new ballpark is a real tribute to Cardinal fans and testament to the strength of St. Louis as a Major League Baseball market," added Mark Lamping, St. Louis Cardinals President.

"This private financing structure would not have been possible without the support of the St. Louis business community via the 10-year purchase commitments of most of the new ballpark's 63 suites. In addition, two of the Cardinals longstanding partners, Sportservice Corporation (concessionaire) and Fox Sports Net Midwest (cable television rights holder) committed to long-term contract extensions which were essential to the financing structure. The entire Cardinals organization extends our thanks to these great partners."

"We are proud to be able to contribute to such an important and ambitious project," said Jeremy Jacobs Jr., Executive Vice President of Delaware North Companies, the parent company of Sportservice. "In nearly 100 years of operation, our partnerships with our teams, and the opportunities we have found to demonstrate our loyalty to them and the fans have been most rewarding."

"The St. Louis Cardinals are clearly one of the most cherished franchises in professional sports. We are extremely proud to be associated with the Cardinals organization and furthermore play an integral role in the building of this new ballpark," said Jack Donovan, Fox Sports Net Vice President and General

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The Cardinals also announced that the first opportunity to select seat locations in the new ballpark will be offered to current Busch Stadium Season Ticket Holders and the creation of a Ballpark Founders Program. The Ballpark Founders Program will cover approximately 10,300 of the best seats in the new 46,000-plus capacity ballpark.

Fans who choose to become Ballpark Founders will receive a variety of rights and benefits including the ability to transfer, will or sell their Season Ticket purchase rights for as long as it remains the home of the Cardinals. It also offers them protection on annual ticket price increases through the 2010 season. The Ballpark Founders Program will require refundable seat deposit payments to the team over a four-year period (2004-2007).

Details of the Ballpark Founders Program and the new ballpark seating relocation process will be explained in a mailing from the Cardinals to current Busch Stadium Season Ticket Holders in early January.

The Cardinals have scheduled the Ceremonial Groundbreaking for Saturday, January 17th during the team's annual Winter Warm-up celebration.



"We wanted to include as many fans and current and former Cardinal players as possible in this historic event," stated Lamping. "It was a natural to build the Ballpark Construction Groundbreaking Ceremony into the Winter Warm-Up. We are particularly pleased to announce that interested fans will be allowed to line-up and actually participate in the groundbreaking."

"Today represents the successful completion of the first phase of a project which we believe will result in a major revitalization of downtown St. Louis," added DeWitt. "We sincerely appreciate the assistance of the City of St. Louis, St. Louis County and the State of Missouri who helped make this project possible."

**CARDINALS BALLPARK FINANCING**

SOURCE OF FUNDS (\$MM)	USE OF FUNDS (\$MM)
Private Bonds* \$200.5	Construction Fund \$324.0
Cardinals \$90.1	Reserve Accounts and Transaction Costs \$20.8
County Loan \$45.0	
Construction Fund Interest \$9.2	
Ballpark Total \$344.8	Ballpark Total \$344.8
State Tax Credits \$30.4	Site Improvements \$30.4
MoDot \$12.3	I-64 Ramp Project \$12.3
Site/Infrastructure \$42.7	Site/Infrastructure \$42.7
=====	
TOTAL \$387.5	TOTAL \$387.5

\* The Cardinals are required to make annual principle and interest payments over a 22-year period, averaging approximately \$15.9 MM per year, to retire the bonds.

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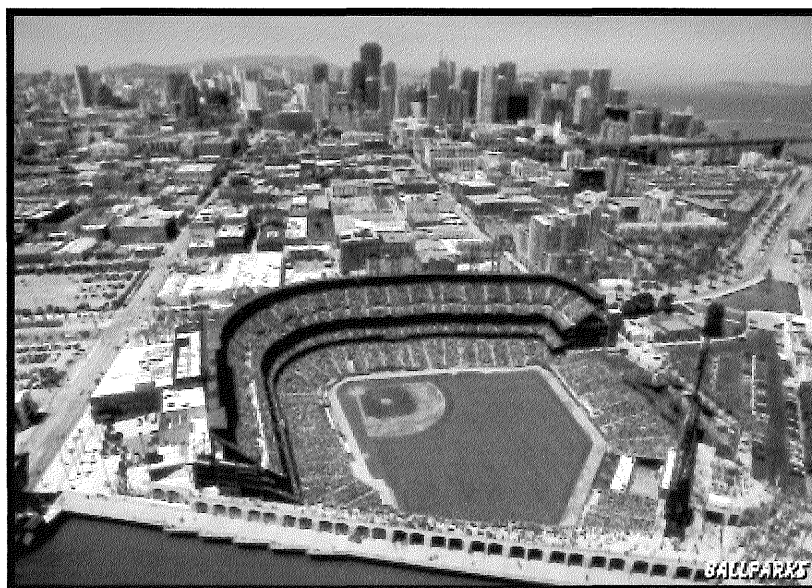
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## AT&T Park



formerly SBC Park and Pacific Bell Park

### San Francisco, California

**Tenant:** San Francisco Giants (NL)

**Opened:** March 31, 2000 (exhibition against the Milwaukee Brewers)

**First regular season game:** April 11, 2000 (against the Los Angeles Dodgers)

**Construction began:** December 11, 1997

**Surface:** Sports Turf (blend of five low-growing bluegrass hybrid turf grasses)

**Capacity:** 40,930 (2000); 41,059 (2001); 41,503 (2004). Figures do not include 1,500 standing room capacity.

**Architect:** HOK Sport (Kansas City)

**Construction:** Huber, Hunt & Nichols, Inc. and Kajima Construction Services

**Owner:** China Basin Ballpark Corp., a subsidiary of the Giants

**Cost:** \$357 million

**Private financing:** \$170 million loan from Chase Manhattan Bank, \$70 million from the sale of charter seat licenses, \$102 million from the sale of naming rights, sponsorships and other sources, and \$15 million in tax increment financing by the city's redevelopment agency.

#### San Francisco Giants tickets:

- **Viewpoint Tickets** - Best prices on Giants tickets, MLB tickets and MLB All Star tickets.

**Location:** A 13-acre site is bounded by King, 2nd and 3rd Streets and China Basin. Left field (NE), 2nd Street; 3rd base (NW), King

Street; 1st base (SW), 3rd Street; right field (SE), China Basin.

**Dimensions:** Left field: 335 feet (2000), 339 feet (2004); left-center: 364 feet (2000), 364 feet (2004); center field: 404 feet (2000), 399 feet (2004); right-center: 420 feet (2000), 421 feet (2004); right field: 307 feet (2000), 309 feet (2004); backstop: 48 feet (2000).

**Fences:** Left field: 8 feet; center field: 8 feet with 19-foot span that reaches 11 feet high at its peak in left-center; right field: 25 feet.

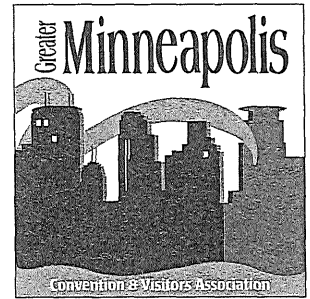


**Financing:** The ballpark is the first privately funded ballpark built for Major League Baseball since Dodger Stadium opened in 1962. No new taxes and no money from San Francisco's general fund were used to build the ballpark. The Giants lease the land on which the ballpark sits from the Port of San Francisco at a fair market value.

**Access:** AT&T Park is served by more public transportation than any other ballpark in the country and is within walking distance of downtown and many city neighborhoods. Fans are able to take Muni Metro streetcars and trolley busses, BART (via an in-station link to Muni Metro), CalTrain, buses and ferries to the new ballpark. Those choosing to drive to the ballpark have easy access to AT&T Park via the Bay Bridge, Highways 101 and 280 and major San Francisco thoroughfares, including Third Street and the Embarcadero.

**Parking:** The Giants encourage the use of public transportation as the primary means of getting to the ballpark. Parking, however, will be provided to meet the demands of those who wish to drive to the ballpark. In addition to the 6,500 parking spaces that currently exist within a 5-10 minute walk of the ballpark site, the Giants provide up to 5,000 additional spaces dedicated for ballpark use.

**Weather:** AT&T Park is located in one of the sunniest, warmest areas in San Francisco. Wind conditions are greatly improved from Candlestick Park, as modern design technology allows for construction which can block the wind effectively.



April 3, 2006

Honorable Linda Higgins  
Minnesota State Senator  
Chair, State and Local Government Operations Committee  
Minnesota State Senate  
328 State Capitol  
St. Paul, MN 55155

Dear Senator Higgins:

On behalf of the Greater Minneapolis Convention & Visitors Association, which represents more than 750 businesses, I ask for your support of SF 2297, the Hennepin County-Minnesota Twins Stadium Proposal.

The hospitality industry brings more than 11 million people to the Twin Cities on an annual basis. It also generates more than \$400 million in revenue. We are considered a "Major League City" with major league sports teams.

In 2003, we conducted a survey of the tour groups who traveled to the Metropolitan area to attend a Twins game. The average stay was 2.5 days and 85% of them stayed in Hennepin County. When not at the Twins game, they shopped, ate and took advantage all the other entertainment the area had to offer.

We believe this is a fair and reasonable proposal. The .15% sales tax is broad-based and widespread, with no individual group or industry carrying the entire burden.

This proposal is about preserving a regional asset and our "Major League City" and the long term benefits to the community in both employment and economic growth.

Sincerely,

A handwritten signature in black ink that reads "Greg Ortale". The signature is written in a cursive, flowing style.

Greg Ortale  
President and CEO  
Greater Minneapolis Convention & Visitors Association

c: State and Local Government Operations Committee Members

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