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## **S.F. No. 5110 – Hennepin County local sales tax modifications (as proposed to be amended by the A-2 amendment)**

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This bill modifies the authority for and uses of the .15 percent Hennepin County sales and use tax, which was enacted in the 2006 legislative session and imposed in 2007 to fund construction of the baseball stadium.

**Section 1. Authority deemed qualifying government for long-term equity investment.** Provides that the Minnesota Ballpark Authority (“authority”) is a qualifying government for purposes of long-term equity investments and allows that, when the authority’s investments are managed by Hennepin County, the authority’s additional long-term equity investment limitations are calculated based on the county’s most recent audited statement of net position.

**Section 2. Ballpark grants.** Adds grants for capital improvements to the ballpark or public infrastructure within the ballpark development area (defined under current law) to the types of grants the authority is authorized to make.

**Section 3. Hennepin County healthcare facilities.** Allows the county to appropriate funds from ballpark tax revenues, after payments on stadium-related bonds and payments for other ballpark grants authorized under current law, for the following purposes:

- 1) development, construction, improvement, and equipping of county-owned or operated healthcare facilities;
- 2) public infrastructure determined by the county to facilitate the development and use of facilities described in (1) above;
- 3) capital improvement reserves; and
- 4) other purposes related to health care facilities.

**Section 4. Youth sports; library.** Adds references to the authorizations in sections 2 and 3 to the statute authorizing Hennepin County to authorize grants to the authority to fund youth activities and youth sports in the county and extending hours of county libraries.

**Section 5. Initial expenditure limitations.** Strikes language limiting the annual limit for grants for capital improvement reserves. New language regarding capital improvement grants is proposed in section 6.

**Section 6. Capital improvement grants.** Authorizes the county to make grants up to \$9 million annually for capital improvement expenditures. The grants are subject to the provisions of ballpark lease or use agreements under current law. The annual \$9 million limit is increased for inflation according to an index acceptable to Hennepin County. Grant agreements are valid and enforceable notwithstanding the fact that they involve future payments. The grants are not considered a debt of the county with respect to a statutory or constitutional debt limit or for which a referendum is required.

**Section 7. Property acquisition and disposition.** Provides that Hennepin County or its subsidiaries may acquire land, air rights, and property interests within the county for health care facilities and related infrastructure.

**Section 8. Local government expenditures.** Adds the provisions of this bill to the county's authorized expenditures.

**Section 9. County authority.** Adds funding of capital reserves and making capital improvements to the intended exercises of the county's authority with respect to the ballpark, public infrastructure, contractual agreements, appropriation of funds, and making employees consultants, and other revenues available for those purposes.

**Section 10. County revenue bonds.** Provides county bonding authority to fund county-owned or operated health care facilities. The debt incurred by the bonds is not included in any debt limitation applicable to the county.

**Section 11. Uses of tax.** Adds language to reference the new allowed uses of tax revenues in section 3. Provides that "reserves adequate to meet future obligations" means a reserve that does not exceed the net present value of the county's obligation to make grants for ballpark operating costs and to fund youth activities and youth sports and extend library hours and to fund capital improvement reserves for the later of:

- the 30-year period beginning on the date of the original issuance of the latest-issued series of bonds authorized under section 10; or
- the period extending through the final term of lease or use agreements with the baseball team, as those agreements may be modified from time to time.

**Section 12. Reserve for capital improvements.** Increases the amount of the capital improvement reserve fund from \$2 million to \$13.5 million each year and increases the baseball team's share of the payments from \$1 million to \$4.5 million each year. Provides that the annual payments shall increase according to an inflation index determined by the county.

**Section 13. Effective date.** Provides that all sections are effective June 2, 2025.