

# House Research Act Summary

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## Article 1: Minnesota Sports Facilities Authority

### Overview

This article established the Minnesota Sports Facilities Authority and provides for financing of the stadium.

- 1 Legislative Commission on Minnesota Sports Facilities. Establishes a new legislative commission to oversee sports facilities, with 12 legislators serving as members. Duties are specified, including oversight of the new Minnesota Sports Facilities Authority.
- 2 Financial audits. Subjects the Sports Facilities Authority, created by section 11, to audit by the legislative auditor.
- 3 Minnesota Sports Facilities Authority. Requires the Sports Facilities Authority to pay the legislative auditor's costs of auditing the authority.
- 4 Public official. Provides members of the Sports Facilities Authority are public officials for purposes of chapter 10A.
- 5 Appropriations. Appropriates the funds made available under this act, including an appropriation for St. Paul.
- 6 Sales tax exemption. Creates a five-year exemption on materials.
- 7 Liquor license. Authorizes the city of Minneapolis to issue liquor licenses for facilities on the Sports Facilities Authority's property.
- 8 State retirement. Defines authority employees as state employees for state retirement purposes.
- 9 Purpose statement. States that expenditure of public money on the stadium is for a public purpose and that the uniqueness of professional sports justifies the use of specific performance remedies to enforce the agreement with the professional football team.

- 10** Definitions. Defines the following terms:
- Annual adjustment factor is as defined as the annual rate of growth in the Minneapolis convention center taxes between 0 and 5 percent.
  - Authority is the Minnesota Sports Facilities Authority.
  - City is the city of Minneapolis.
  - NFL is the National Football League.
  - NFL team is the owner and operator of the Minnesota Vikings.
  - Stadium is the professional football stadium to be financed by the bill.
  - Stadium costs include land acquisition, design, construction and equipping of the stadium, and stadium infrastructure.
  - Stadium infrastructure means plazas, parking structures, rights of way, connectors, skyways and tunnels and other similar facilities either owned by the Sports Facilities Authority or determined by the authority to facilitate use of the stadium.
  - Stadium plaza is the open air area next to the stadium.
  - Stadium site is the area bounded by Park and 11th avenues and 3rd and 6th streets in the city of Minneapolis.
- 11** Minnesota Sports Facilities Authority. Establishes the authority as a political subdivision
- The authority consists of five members, the chair and two others are appointed by the governor, and two by the mayor of Minneapolis. Gubernatorial appointees are subject to Senate confirmation. Members serve four year terms. The chair serves at the pleasure of the governor. Other members may only be removed for misfeasance, malfeasance, or nonfeasance. One of the initial gubernatorial and one of the initial mayoral appointees will serve three year terms to create staggered terms. Members serve until a successor is appointed. Members may be compensated as provided for members of state boards and commissions (\$55/day).
- The legislative auditor audits the authority, which must pay for the cost of the audits.
- The authority may appoint an executive director who serves as the chief executive of the authority. The executive director serves at the pleasure of the authority and is responsible for operation and management of the authority's affairs. The authority is directed to establish and maintain a website.
- A majority of the members constitute a quorum, except a four-member quorum applies during the design and construction phase for matters related to zoning, land use, exterior design, parking, and the plaza.
- 12** Sports facilities of the authority. Makes the football stadium and other facilities constructed by the authority part of the authority. Creates permissive language allowing other major sports facilities to choose to become part of the authority.
- 13** Location. Specifies the location of the stadium site (defined in section 10).
- 14** Powers and duties of authority. Establishes the powers of the authority, including basic powers such as the power to sue and be sued, to acquire and dispose of property, to employ individuals and contract for services, to accept gifts, and so forth. The authority is explicitly made subject to the data practices and open meeting laws.
- The authority is authorized to develop and operate the stadium, either directly or by contracting. This includes the power to enter an exclusive use agreement with the NFL team.
- The stadium development is exempt from metropolitan council significance review and from the business subsidy law.
- The authority is required to report to the legislature each year, on a variety of financial details related

to stadium financing.

The authority is to study the feasibility of conducting a raffle of tickets, with the proceeds going to pay for the stadium.

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Stadium design and construction. Directs the authority establish a collaborative process with the NFL team to design and construct the stadium. This is to be done under a development administration agreement. Disputes under the agreement are to be resolved by binding arbitration. The agreement can provide for construction under standard contracting methods, design-build, or a program-manager approach (combining designing, building, and operating the facility by the manager). To the extent practicable, up to 25 percent of materials must be from Minnesota businesses.

Changes requested to the approved design by either the authority or the team, unless mutually agreed upon by both parties, must be paid by the requesting party.

Minimum program and design elements for the stadium are specified, including:

- Approximately 1.5 million square feet of space
- Approximately 65,000 seats, expandable to 72,000 seats
- 150 suites and 7,500 club seats
- Space for team related exhibits and sales
- Space for team administrative operations
- Space for authority administrative offices
- 2,000 parking spaces within one block of the stadium, connected by skyway or tunnel
- 500 parking spaces within two blocks of the stadium, connected by a dedicated walkway
- A roof (either fixed or retractable)

The authority can accept cost overruns only if the overruns are then assumed by the contractor, but the team is responsible for cost overruns if it has agreed to manage construction of the stadium. Cost savings are used to fund additional stadium improvements or infrastructure or to fund the capital reserve, but any savings allocated to the reserve do not reduce the required annual capital reserve payment obligations of the team or the state. The overall state share is limited to \$348 million, and the overall city share is limited to \$150 million plus operating and capital contributions.

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Commemorative bricks. Directs the authority to sell commemorative bricks to help fund the stadium for amounts it determines and appropriates the proceeds to be used for grants to the authority.

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Employment. Directs the authority to make "every effort" to employ women and minorities and to cause the NFL team and contractors to do likewise. An employer assistance firm must be hired by the authority. These goals for construction contractors must at least equal the minimums used by the city. The NFL team is directed to allow existing workers at the Metrodome to continue their employment in comparable positions at the new stadium.

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Stadium operations; capital improvements. Provides for operation of the stadium in a first class manner. The authority and NFL team are to agree upon a third party manager for the stadium for up to 30 years.

Operating expenses. The operating expenses for the stadium are divided as follows:

- The NFL team pays \$8.5 million per year. This amount is annually inflated at a rate of 3 percent.
- Revenues generated by the city sales taxes pay \$6 million. This amount is annually increased by the annual adjustment factor under article 4, section 1 (the rate of increase in the Minneapolis Convention Center taxes, but capped at 5 percent).

The authority can establish an operating reserve fund and is responsible for operating cost overruns.

The responsibility for operating cost overruns can be shifted to third party manager under an agreement entered into by the authority and team.

Public access. The authority is to work to provide maximum access for amateur sports, community, and civic events at the stadium.

Capital improvements. The authority is directed to establish a capital reserve fund and is responsible for making repairs and improvements to the stadium. The state and NFL team are each responsible for contributing \$1.5 million per year to this fund. The team contributions increase annually at a three percent rate, while the state's contributions inflate based on the annual adjustment factor under article 4, section 1 (the rate of increase in the Minneapolis convention center taxes, but capped at 5 percent). The authority makes final decisions on capital needs, but must seek input from the team. The NFL team has the authority to design a retractable roof feature; provided that any such feature not impact costs.

The team is responsible for game day expenses.

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Criteria and conditions. Imposes the following conditions and criteria on the stadium financing:

- The team must contribute \$477 million to stadium costs, including paying the first \$50 million. The state pays the next \$50 million of costs. Before the state pays this amount, the team must provide assurances to the authority of its ability to finance the remainder of the team costs. If the project is aborted, up to \$100 million of refunds are to be paid to the authority and team in respective percentages.
- The team must enter a 30-year lease or use agreement, requiring it to play all of its home games at the stadium and its training facilities must remain in Minnesota. The agreement may not contain escape or buyout clauses. The authority may enforce the agreement with specific performance remedies. Up to six home games during the 30-year lease may be played outside of the United States.
- The team receives all NFL and team event related revenues, including suite rentals, naming rights, concessions, and so forth.
- The authority must determine that all public and private funding sources for the stadium development and operation are in place before it may proceed. The team must provide access to its private financial information that the authority deems necessary to make that determination.
- The authority must comply with all environmental requirements.
- The agreement must provide for reimbursement of the public based on a portion of the net proceeds from a sale of team (ranging from 25 percent to 0 percent), if the team is sold within 20 years after construction of the stadium begins. Sales to family members or transfers among existing owners (up to 20 percent) do not trigger payment of the public share.
- The team must provide the authority with access to team financial information if there is a material breach of the agreement by the team.
- The agreement must provide for retention of the team name by the league, if the team is moved out of Minnesota, and the retention for possible later use by a Minnesota team.
- The authority and team are to strive to obtain LEED certification and Green Globe certification for the stadium and to make the stadium architecturally significant, as well as to follow sustainable building guidelines. To the extent practical, the stadium is to be constructed from American-made steel, and to be designed in such a manner as to strive to be energy efficient.
- The agreement must provide for some affordable tickets to professional sporting events at the stadium.
- The authority retains the right to sell stadium builder licenses; the team is to help in

marketing these licenses.

- The NFL team has a five-year exclusive right to establish major league soccer at the stadium, at a market rate for rent.

The team, subject to approval by the authority, may have other entities perform its obligations under this section.

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Municipal activities. Authorizes the city to acquire property and transfer it to the authority for the stadium or related uses. It also specifies that the city has no interest in or claim to assets or revenues of the authority. The authority is designated as the responsible governmental unit (RGU) for environmental reviews. The environmental impact statement does not need to consider alternative sites. Work on infrastructure and obtaining other governmental approvals (but not on stadium construction itself) may begin before the environmental impact statement is determined to be adequate.

The city is authorized to make expenditures for the stadium, including the development of stadium infrastructure.

The city is directed to establish a stadium implementation committee to expedite the city's land use and development review processes. This process supersedes provisions of the city ordinances and charter. The committee is to take action within the time frame established by the authority. The committee is to obtain advisory recommendations from the Minneapolis Planning Commission. The city council has 45 days to act on the committee's recommendations; failure to act is deemed approval. Decisions are subject to de novo district court review.

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Property tax exemption; special assessments. Provides property owned, leased, used or occupied by the authority is exempt from property taxation. This exemption flows through to for-profit tenants, notwithstanding the otherwise applicable statutory rules that private lessees (for periods of a year or more) and for-profit users of governmental property trigger taxation of the property by their use. The exemption under the section, however, does not extend to property that is leased for residential, business, or commercial development. A restaurant on the site, however, would qualify if it is not open for more than 200 days per year.

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Liquor licenses. Authorizes the city to issue liquor licenses for the stadium site. These are in addition to the number authorized by law.

23

Local taxes. Prohibits imposition of new local taxes at the stadium site, unless those taxes are imposed generally throughout the taxing jurisdiction. This prohibition does not apply to the blink-on taxes in article 6, such as the suites taxes authorized to be imposed by the authority. The existing Minneapolis entertainment tax will apply to the stadium site.

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MSFC Assets; liability to authority. Directs the Metropolitan Sports Facilities Authority (MSFC) to:

- Pay the authority's operating expenses until MSFC is abolished.
- Pay its outstanding obligations within 90 days of enactment and transfer its assets to the authority.

MSFC is abolished upon the transfer of the assets and MSFC responsibilities devolve to the authority. Employees of MSFC are transferred to the authority, but this does not confer any right on those employees to comparable positions with the authority.

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Effective date. Day following final enactment.

## **Article 2: State Stadium Finance**

### **Overview**

This article authorizes the state to issue appropriation bonds to finance the state share of stadium costs, as well to provide the initial funding for the portion of the costs to be funded with taxes in the city of Minneapolis. These total costs are limited to \$498 million, but the total bond authorization is \$600 million to permit the issuance to cover costs and funding a reserve for the bonds. An appropriation of the increased charitable gambling tax revenues is also provided to allow cash funding until the bonds are issued.

- 1** Stadium appropriation bonds. Authorizes the commissioner of management and budget (MMB) to issue appropriation bonds to finance state and Minneapolis funded costs of the professional football stadium.

Definitions are provided for:

- Appropriation bond is a state bond or note that is payable from a general fund appropriation, the proceeds of the bonds issued, investment earnings, or payments under agreements related to the bonds (e.g., letters of credit, liquidity facilities, and so forth).
- Debt service is the amount principal and interest payable in any biennium on the bonds.

The maximum amount of the authorization is limited to \$600 million; however, the total amount that can be used for funding stadium costs is limited to \$498 million. The higher amount is allowed to fund issuance costs, reserves, liquidity facilities for the bonds, and so forth.

Maximum maturity of the bonds is limited to 30 years.

The authorization includes the authority to periodically refund the bonds. The bonds may be issued as either taxable or tax exempt bonds. The bonds are deemed to be legal investments of the state and its political subdivisions, as well as of financial institutions and estates and trusts.

Limits on liability specify that the bonds are not public debt and are not backed by the state's full faith and credit. The bonds are payable only from amounts appropriated for debt service during the biennium. The bonds are cancelled in the first year that the legislature does not appropriate an amount sufficient to pay the debt service on the bonds.

Proceeds of the bonds are appropriated to pay capital expenses, debt service, operating and capital reserves of the stadium authority, and for debt service reserves.

An expedited validation procedure, similar to that enacted in the 2011 legislation that authorized the state to issue tobacco appropriation bonds, is provided. This procedure would direct the Supreme Court to take original jurisdiction to determine the validity of the bonds, unless a ruling on the tobacco bonds makes doing so unnecessary.

## **Article 3: Minneapolis Convention Center**

### **Overview**

This article makes changes to the sales taxes, authorized by the 1986 special law for the city of Minneapolis to finance its convention center. All of the provisions of this article are subject to local approval by Minneapolis.

- 1** Allocation of revenues from Minneapolis sales taxes. Codifies in chapter 297A the rules governing the use of Minneapolis's sales tax revenues used to fund the convention center. These rules apply, rather than the general law rules that otherwise would govern the use of revenues from the general local sales taxes. This provision covers both of the following city taxes:

- The 0.5 percent general sales tax

- The liquor (3 percent), lodging (2.65 percent), and restaurant (3 percent) special taxes

Before remitting revenues to the city, the commissioner of revenue will deduct for the general fund (in all circumstances - similarly to the rule under general law - to pay for cost related to tax collection and following current practice):

- The cost of collection
- Cost of paying refunds of any of the taxes

In addition, the commissioner will (beginning in calendar year 2013) deduct for the general fund (to be used for stadium financing) one-half of the growth in the tax revenues over calendar year 2011 revenues above \$1,000,000 (annually increased by 2 percent after 2013) up to \$3,000,000 (also annually increased after 2013 by 2 percent) and 25 percent of amounts above that.

Beginning in the 2021, the commissioner will also deduct for the revenues paid to the city:

- Amounts needed to pay the cost of the city-share of the state appropriation bond issued under article 2 (\$150 million), including the present value of the debt service the state paid on these bonds before 2021
- Annual contributions to the stadium's capital improvement reserve fund (This amount is \$1.5 million starting in 2016, increased by the annual adjustment factor.)
- Annual cost of stadium maintenance (This amount starts at \$6 million in 2016 and is annually increased by the annual adjustment factor.)
- Amounts needed to reimburse the state for deposits to the capital improvement reserve and for operating expenses from 2016 to 2020 made in lieu of the contributions to be made out of city tax revenue. This amount will be calculated on a present value basis.

This section also sets the annual adjustment factor (also used in article 1's financing provisions) as the annual percentage growth in the tax revenues, but this amount cannot be either negative or greater than 5 percent.

**2** Minneapolis general sales tax. Updates statutory cross references in the special law authorizing the city of Minneapolis to impose a general sales tax and requires this tax to be imposed through calendar year 2046.

This section also authorizes the city to use available revenues from the tax (the revenues used for stadium financing will be deducted by the commissioner of revenue under section 1 and therefore are not available to the city) not needed for the convention for capital projects or economic development.

**3** Minneapolis liquor, lodging, and restaurant taxes. Updates statutory cross references in the Minneapolis special law authorizing the convention center special sales taxes to be consistent with changes in the statutes and other provisions of the bill, including section 1, and requires the taxes to be imposed through calendar year 2046. The city may adjust the rates of these taxes to provide the amount of revenues needed.

**4** Charter limitations, requirements not to apply. An exemption from the Minneapolis charter is given for all powers and duties of the city under this act.

**5** Effective date; local approval. Makes the provisions of the article effective upon local approval by the city of Minneapolis.

**6** Severability; savings. Provides that if part of the article is unconstitutional or invalid, the rest of its provisions remain valid.

**7** Local sales tax requirement. Exempts the four Minneapolis convention center taxes from the section 297A.99 (a general law) that governs local sales taxes. The specific requirements of the article that subject various elements of the taxes to similar requirements.

## Article 4: Lawful Gambling

### Overview

This article legalizes pull-tabs and electronic bingo authorizes lawful gambling organizations to market sports-themed tipboards. These tipboards award prizes based on the "numerical outcomes" of professional sporting events.

The article also restructures the method of taxing lawful gambling. It repeals the distributor level tax on the ideal gross amount of pull-tabs and tipboards and the combined receipts tax. These two taxes are replaced with a graduated-rate tax on organizations' net receipts from forms of gambling other than paper bingo, raffles, and paddle tickets, which remain subject to the net receipts tax.

- 1 Definition of gambling product. Adds electronic linked bingo and electronic pull-tabs to the definition of gambling products for tax purposes.
- 2 **Definition of gross receipts.** Adds gross receipts from electronic linked bingo and electronic pull-tabs to the definition of gross receipts for tax purposes.
- 3 **Definition of ideal gross.** Adds ideal gross from electronic linked bingo and electronic pull-tabs to the definition of ideal gross for tax purposes.
- 4 Net receipts tax. Adds references to electronic linked bingo and electronic pull-tabs to the list of taxes that are not subject to the net receipts tax. These games will be taxed under graduated-rate tax under section 9.
- 5 **Collection; disposition.** Eliminates references to the distributor tax, which is repealed by section 66, and requires distributors to report monthly sales figures to the Department of Revenue. In addition, it clarifies that the retail sales tax will apply to distributors' purchases of pull-tabs and tipboards and that sales by lawful gambling organizations of those products will be exempt.
- 6 Combined receipts tax. Replaces the combined receipts tax with a graduated tax on net receipts from all types of gambling, except paper bingo. This tax would apply at the following rates:
 

Amount of net receipts	Tax Rate
0 - \$87,500	9%
\$87,501 - \$122,500	18%
\$122,501 - \$157,000	27%
Over \$157,000	36%
- 7 **Unaccounted games.** Imposes an obligation on distributors to pay 6-percent tax for unaccounted for games. This tax is computed based on the ideal gross for the game.
- 8 **Untaxed gambling product.** Adds references to the electronic linked bingo and electronic pull-tabs to the provisions of law governing untaxed products.
- 9 **Cross-reference.** Eliminates a reference to a section repealed by section 66.
- 10 Defective pull-tabs. Modifies the provisions governing unplayed or defective pull-tabs to reflect repeal of the up-front distributor tax.
- 11 Special allocation of revenues. Creates a method for allocating revenues from lawful gambling to account for the costs within this bill and to allocate remaining revenues. This mechanism requires the commissioner of MMB each fiscal year to determine the amount of revenues from charitable



gambling taxes that are received in excess of the February 2012 economic forecast. If these additional revenues exceed the state's cost of stadium funding for that fiscal year (i.e., the payments on the bonds, the reduced revenues under the sales tax exemption that applies to building materials for the stadium, stadium operating expenses, and the compulsive gambling program appropriations), the excess will be deposited in a stadium reserve fund.

- 12        **Cross-reference.** Eliminates a reference to a section repealed by section 66.
- 13        **Bar operations.** Defines a bar operation.
- 14        **Bar bingo.** Defines bar bingo.
- 15        **Bingo occasion.** Extends the hours of play for electronic bingo, as compared to regular bingo.
- 16        **Booth operation.** Defines booth operation.
- 17        **Electronic bingo device.** Defines these devices as handheld and portable. Requires that players must open each line separately and that devices do not mimic a slot machine.
- 18        **Electronic pull-tab device.** Defines these devices. Requires these devices to mirror the play of a paper pull-tab.
- 19        **Electronic pull-tab game.** Defines an electronic pull-tab game.
- 20        **Electronic pull-tab game system.** Defines this system as using equipment based from a distributor. Allows the board and Department of Revenue to define standards.
- 21        **501(c)(19) organizations.** Defines these veteran's organizations per U.S. law
- 22        **Gambling equipment.** Clarifies this definition to include both disposable and permanent equipment.
- 23        **Lawful purpose.** Eliminates a reference to a section repealed by section 66. Also allows donations between veteran's organizations.
- 24        **Linked bingo game provider.** Defines linked bingo providers as persons who operate linked bingo games.
- 25        **Linked bingo game system.** Requires linked bingo games systems to permit the Gambling Control Board to electronically monitor their operation from a remote location.
- 26        **Linked bingo prize pool.** Allows carryover prizes from separate linked bingo games.
- 27        **Paddle wheel.** Allows electronic paddle wheels.
- 28        **Promotional ticket.** Clarifies that promotional tickets relate only to paper pull-tabs.
- 29        **Pull-tab.** Adds electronic pull-tabs to the definition of pull-tabs.
- 30        **Tipboard.** Amends the definition of tipboard to allow sports-theme tipboards; requires winning numbers to be determined solely by numerical outcomes.
- 31        **Tipboard ticket.** Adds sports-themed tipboards to the definition of tipboard ticket.
- 32        **Lawful gambling.** Expands lawful gambling to allow electronic pull-tabs and bingo. Prohibits these devices from being slot machines.
- 33        **Pull-tab sales from dispensing devices.** Deletes obsolete language.

- 34 **Electronic bingo devices.** Clarifies board authority to deactivate devices for violations.
- 35 **Electronic pull-tab devices and electronic pull-tab game system.** States regulations the board may institute for these devices; prohibits the board from requiring their use.
- 36 **Sports-themed tipboard rules.** Allows the board to adopt rules for the conduct of tipboards.
- 37 **Mandatory disqualifications.** Removes a provision: having had a license permanently revoked is no longer a mandatory disqualification.
- 38 **License revocation, suspension, denial; censure.** Limits revocations and suspensions to ten years.
- 39 **Prohibited acts; licenses required.** Prohibits distributors from being licensed as a linked bingo game provider.
- 40 **Prohibition.** Technical.
- 41 **Sales from facilities.** Clarifies regulations regarding distributor sale of electronic devices.
- 42 **License required.** Allows manufacturers to be also licensed as linked bingo game providers.
- 43 **Paper pull-tab and tip-board flares.** Technical.
- 44 **Samples of gambling equipment.** Requires manufacturers to submit samples when required.
- 45 **License application.** Allows manufacturers to be issued licenses.
- 46 **Attachments to applications.** Specifies that profits by linked bingo game providers may not exceed 15 percent, unless the board authorizes an increase up to 20 percent.
- 47 **Linked bingo game services requirements.** Linked bingo game services requirements are specified.
- 48 **Contents of application.** Removes a specified termination clause of thirty days; allows this to be set by lease.
- 49 **Conduct of bingo.** Requires bingo sheets and devices to have the same price if at the same location.
- 50 **Bar bingo.** Removes a prohibition on paying rent for bar bingo.
- 51 **Linked bingo game.** Requires these games to be played through a linked bingo game provider.
- 52 **Linked bingo games played exclusively on electronic bingo devices.** States limits on the number of machines per site (50 for bingo halls; 12 for larger bars, with more than 201 capacity; 6 for smaller bars). States player requirements.
- 53 **Sale of tickets.** Technical - exempts sports themed tipboards from the requirement that tipboards contain seal concealing the winning number or symbol.
- 54 **Determination of winners.** Requires tipboard winners to be determined solely by numerical outcomes of professional sporting events.
- 55 **Conduct of pull-tabs.** States limits, including but not limited to, limits on the number of machines: 12 for larger bars with more than 201 capacity; 6 for smaller bars, 50 at bingo parlors. Allows games within which winning tickets may be returned for a chance to win a greater prize.
- 56 **Lease or ownership required; rent limitations.** Limits rent, including a maximum of 10 percent of gross profits for operations, and booth 15 percent of gross profits for bar operations, per month.

Makes the lessor responsible for cash shortages and communications networks.

- 57**      **Accounts.** Requires receipts from electronic games to be recorded daily and deposited within two business days.
- 58**      **Expenditures.** Requires reports to be electronic.
- 59**      **Reports.** Requires monthly electronic reports, including reports to the Commissioner of Revenue.
- 60**      **Pull-tab records.** Technical.
- 61**      **Linked bingo prizes.** Limits contributions that may be made by one organization to a pool of linked organizations.
- 62**      **Tipboard prizes.** Clarifies the maximum prize for sports-themed tipboards may not exceed the generally applicable limit and allows their ticket prices to be a maximum of \$10 (other tipboards are subject to a maximum price of \$5).
- 63**      **Department of Public Safety; oversight of background checks.** Gives full authority over background checks for manufacturers and distributors to the Department of Public Safety.
- 64**      **Severability.** Provides the sections of the act are severable and that if any provision is found to be unconstitutional, the legislature intends the remaining provisions to remain valid.
- 65**      **Appropriation.** Appropriates \$1,219,000 for FY 2013 for the Gambling Control Board's operating expenses. Appropriates \$250,000 to the Department of Public Safety.
- 66**      **Repealer.** Repeals the 1.7-percent tax on the ideal gross for pull-tabs and tipboards that is levied at the distributor level and new subdivisions in the law gambling chapter that are tied to that tax.
- 67**      **Effective date.** Makes these provisions effective the day following final enactment.

### **Article 5: Miscellaneous**

This article requires a report on compulsive gambling by the Department of Human Services.

This article also requires lessee of the professional football stadium to make the facilities available for amateur sports events to:

- The Minnesota Amateur Sports Commission for up to ten days per year. The commission can be required to pay no more than the actual out-of-pocket costs of its stadium use.
- The Minnesota State High School League for at least seven days per year for high school football and soccer tournaments. This use must be provided without charge for security, custodial or cleaning, ticket taking, and similar services.

Finally, this article establishes a permissive use by cities of the first class of existing sales taxes for larger projects.

### **Article 6: Stadium Blink-on Funding**

#### **Overview**

This article provides two backup revenue options to supply additional general fund revenues, if the commissioner of management and budget (MMB) determines that the increase in charitable gambling tax revenues provided by the bill will not be sufficient to cover the state's stadium funding costs.

- 1** Backup revenues; football stadium funding. Authorizes the commissioner of MMB to implement revenue options to provide additional money to the general fund, if the commissioner estimates that the increases in charitable gambling tax revenues will be less than the amount needed to pay the state bonds and other state stadium costs. The commissioner is allowed to implement the specified revenue options on a fiscal year basis in the following order of priority:
  1. A sports themed lottery game
  2. A 10-percent tax on the rental of luxury boxes at the stadium

Each fiscal year, the commissioner must determine if each of the revenue options is needed. If not, the revenue options will not be used. The commissioner must inform the legislative commission on planning and fiscal policy of the decisions to blink on and blink off the revenue options.
- 2** Sports-themed lottery game. Directs the State Lottery to conduct a sports-themed lottery game to raise \$2.1 million in additional revenue for the general fund, if the commissioner of MMB notifies the lottery that this is required under section 1.
- 3** Admissions tax. Directs the authority to impose a 10 percent tax on luxury box and suite rentals at the stadium if they are notified by the commissioner of MMB under section 2. This tax would be imposed by the commission in the same manner that MSFC has imposed the admission tax at the Metrodome.