

Subject Stadium finance
Authors Greenman and others
Analyst Christopher Kleman
Date March 20, 2023

Overview

H.F. 2483 would make a number of modifications to current law regarding the financing of U.S. Bank Stadium.

This bill would require the stadium bonds to be paid off once the stadium reserve account has sufficient revenue to do so. After the payoff, local sales tax from the City of Minneapolis would no longer be retained for debt service support payments on these bonds.

A one-time transfer from the reserve account to the capital reserve fund for the stadium would also be required.

Once that transfer has been made, the state advances for the city's share of capital and operating expenses in 2016 through 2020 would be transferred from the stadium reserve to the general fund, and the city's local tax would not be retained to recapture this amount.

In addition, the requirement to retain a portion of the city's tax for the benefit of the Minnesota Sports Facilities Authority would also be eliminated.

Lastly, H.F. 2483 would reduce the inflation adjustment cap on the city's contribution for operating expenses and would increase both the city and team's contribution to the capital reserve.

Summary

Section	Description
---------	-------------

- | | |
|---|--|
| 1 | Sports facilities transfers; appropriations.
Makes a conforming change related to the elimination of the retention of the city's sales tax for the benefit of the Minnesota Sports Facilities Authority. |
|---|--|

Section	Description
	Effective date: day following final enactment.
2	General fund allocations. Strikes the requirement that a portion of the city's sales tax be retained for the benefit of the Minnesota Sports Facilities Authority. Effective date: day following final enactment.
3	Retention of sales tax; exceptions. This section provides that the required retention of the city sales tax for debt service support payments and recapture of the state advances must not be made once those amounts are paid off from the stadium reserve account as required in section 4. Effective date: day following final enactment.
4	Appropriation; general reserve account. Requires that the stadium reserve account be used to make appropriations for the following purposes once revenues in the account are sufficient, in priority order: <ol style="list-style-type: none">1) to prepay and defease the stadium bonds;2) to transfer funds to the capital reserve fund;3) to transfer the aggregate present value of the state advance to the city for capital improvements and operating expenses in calendar years 2016 through 2020 to the general fund; and4) for purposes established in current law (to apply against a shortfall in the amount of city sales tax or for stadium expenses). Effective date: day following final enactment
5	Annual adjustment factor. Lowers the cap on the annual adjustment factor that would be used to annually inflate the operating expense account payment required by the city for stadium operating expenses, from 5 percent to 2.75 percent. Effective date: adjustments in 2023.
6	Capital improvements. Increases the amount of the team and city's contribution to the capital reserve account to \$5,000,000 apiece and removes the inflation adjustment for these respective amounts. Effective date: contributions in 2023.



**MN HOUSE
RESEARCH**

Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn/hrd | 651-296-6753 | 155 State Office Building | St. Paul, MN 55155