

This Document can be made available in alternative formats upon request

State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 1388

02/22/2021 Authored by Nelson, M., The bill was read for the first time and referred to the Committee on State Government Finance and Elections

1.1 A bill for an act
1.2 relating to state government finance; adjusting the calculation for the stadium
1.3 general reserve account; requiring the commissioner of management and budget
1.4 to notify the legislature before making changes to the stadium general reserve
1.5 account; establishing a stadium payoff fund; transferring money; requiring the
1.6 stadium payoff fund balance be used to redeem or defease the stadium appropriation
1.7 bonds; amending Minnesota Statutes 2020, section 297E.021, subdivisions 3, 4,
1.8 by adding a subdivision; proposing coding for new law in Minnesota Statutes,
1.9 chapter 16A.

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

1.11 Section 1. 16A.728] STADIUM PAYOFF FUND.

1.12 Subdivision 1. Creation of fund. The commissioner of management and budget shall
1.13 establish the stadium payoff fund in the state treasury.

1.14 Subd. 2. Payoff supplement transfer. (a) If on the basis of a final closing balance for
1.15 the general fund for a fiscal year, the amount of the general reserve account under section
1.16 297E.021, subdivision 4, exceeds the greater of the stadium-related expenses under section
1.17 297E.021, subdivision 3, clause (1), or \$44,000,000, the commissioner shall certify a payoff
1.18 supplement in the general reserve account. The payoff supplement is equal to the difference
1.19 between the general reserve account at the final closing of a fiscal year and the greater of
1.20 the stadium-related expenses, or \$44,000,000.

1.21 (b) By October 1 of each year, the commissioner shall transfer the payoff supplement
1.22 computed under paragraph (a) to the stadium payoff fund.

1.23 Subd. 3. Use of fund. (a) After the date that the appropriation bonds under section
1.24 16A.695 become callable, the commissioner must use the amount in the fund to redeem or
1.25 defease outstanding debt for the stadium appropriation bonds under section 16A.965, to the

2.1 extent permitted by the bond contract. The money in the fund is appropriated only for this
 2.2 purpose. Notwithstanding sections 16A.66 and 16A.965, refunding bonds issued after
 2.3 redeeming outstanding debt for the stadium authorized under section 473J.03, subdivision
 2.4 8, using funds from the stadium payoff fund may be issued without regard to whether the
 2.5 interest to be paid on the bonds is includable in gross income for federal tax purposes.

2.6 (b) After consulting with the Legislative Advisory Commission, the commissioner may
 2.7 transfer balances in the stadium payoff fund to the general fund to offset a shortfall in
 2.8 revenue collected under section 297A.994.

2.9 Subd. 4. **Report.** By October 15, 2021, and each year thereafter, the commissioner of
 2.10 management and budget must analyze and report to the legislature about the use of the
 2.11 money in the stadium payoff fund, and the amount of the actual and projected payoff balance
 2.12 transfers from the general reserve account. The report should also analyze when the money
 2.13 in the stadium payoff fund will be used to redeem or defease the outstanding debt on the
 2.14 stadium appropriation bonds under section 16A.965. The report must be provided to the
 2.15 chairs and ranking minority members of the house of representatives Committee on Ways
 2.16 and Means and Taxes Committee, and the chairs and ranking minority members of the
 2.17 senate Finance Committee and Taxes Committee.

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

2.19 Sec. 2. Minnesota Statutes 2020, section 297E.021, subdivision 3, is amended to read:

2.20 Subd. 3. **Available revenues.** For purposes of this section, "available revenues" equals
 2.21 the amount determined under subdivision 2, ~~plus up to \$20,000,000 each fiscal year from~~
 2.22 ~~the taxes imposed under section 290.06, subdivision 1:~~

2.23 (1) reduced by the following amounts paid for the fiscal year under:

2.24 (i) the appropriation to principal and interest on appropriation bonds under section
 2.25 16A.965, subdivision 8;

2.26 (ii) the appropriation from the general fund to make operating expense payments under
 2.27 section 473J.13, subdivision 2, paragraph (b);

2.28 (iii) the appropriation for contributions to the capital reserve fund under section 473J.13,
 2.29 subdivision 4, paragraph (c);

2.30 (iv) the appropriations under Laws 2012, chapter 299, article 4, for administration and
 2.31 any successor appropriation;

- 3.1 (v) the reduction in revenues resulting from the sales tax exemptions under section
 3.2 297A.71, subdivision 43;
- 3.3 (vi) reimbursements authorized by section 473J.15, subdivision 2, paragraph (d);
- 3.4 (vii) the compulsive gambling appropriations under section 297E.02, subdivision 3,
 3.5 paragraph (c), and any successor appropriation; and
- 3.6 (viii) the appropriation for the city of St. Paul under section 16A.726, paragraph (c); and
- 3.7 (2) increased by the revenue deposited in the general fund under section 297A.994,
 3.8 subdivision 4, clauses (1) to (3), for the fiscal year.

3.9 Sec. 3. Minnesota Statutes 2020, section 297E.021, is amended by adding a subdivision
 3.10 to read:

3.11 Subd. 3a. **Revenue dedication.** If the commissioner of management and budget
 3.12 determines that the available revenues determined under subdivision 2 are insufficient, the
 3.13 commissioner may add up to \$20,000,000 each fiscal year from the taxes imposed under
 3.14 section 290.06, subdivision 1, to the available revenues under subdivision 3. The
 3.15 commissioner must notify the chairs and ranking minority members of the house of
 3.16 representatives Ways and Means Committee and the senate Finance Committee at least 15
 3.17 days prior to increasing the available revenue under subdivision 3. Any increase made under
 3.18 this subdivision must continue in subsequent fiscal years.

3.19 Sec. 4. Minnesota Statutes 2020, section 297E.021, subdivision 4, is amended to read:

3.20 **Subd. 4. **Appropriation; general reserve account.**** To the extent the commissioner
 3.21 determines that revenues are available under ~~subdivision~~ subdivisions 3 and 3a for the fiscal
 3.22 year, those amounts are appropriated from the general fund for deposit in a general reserve
 3.23 account established by order of the commissioner of management and budget. Amounts in
 3.24 this reserve are appropriated as necessary for application against any shortfall in the amounts
 3.25 deposited to the general fund under section 297A.994 or, after consultation with the
 3.26 Legislative Commission on Planning and Fiscal Policy, amounts in this reserve are
 3.27 appropriated to the commissioner of management and budget for other uses related to the
 3.28 stadium authorized under section 473J.03, subdivision 8, that the commissioner deems
 3.29 financially prudent including but not limited to reimbursements for capital and operating
 3.30 costs relating to the stadium, refundings, and prepayment of debt. In no event, shall available
 3.31 revenues be pledged, nor shall the appropriations of available revenues made by this section

4.1 constitute a pledge of available revenues as security for the prepayment of principal and
4.2 interest on the appropriation bonds under section 16A.965.

4.3 Sec. 5. **CONDITIONAL REPEALER.**

4.4 (a) The commissioner of management and budget shall report within 30 days that the
4.5 bonds under Minnesota Statutes, section 16A.965, have been redeemed or defeased to the
4.6 revisor of statutes.

4.7 (b) Minnesota Statutes, section 16A.727, is repealed 60 days after the commissioner of
4.8 management and budget certifies that the bonds under Minnesota Statutes, section 16A.965,
4.9 have been redeemed or defeased.