

Conference Committee Report on H.F. No. 677

Article 4; Sec. 39. **MINNEAPOLIS AND ST. PAUL ENTERTAINMENT FACILITIES COORDINATION STUDY; APPROPRIATION.**

Subdivision 1. Statement of purpose. The legislature finds that the national economic structure of professional sports financing, as directly or indirectly sanctioned by federal law, compels state and local governments in smaller metropolitan areas, such as Minneapolis and St. Paul, to help finance the construction and operation of venues for professional sports franchises as a condition of hosting these franchises. The burden and risk associated with providing this assistance justifies authorizing and directing the cities and any associated private entities to enter into arrangements that attempt to maximize the combined revenues of these facilities from direct users, including those unrelated to professional sports, such as, but not limited to, joint booking of concerts and other events, to minimize the cost and risk to general taxpayers. Any efforts to put in place such joint marketing, promotion, and scheduling arrangements by the cities or associated private entities, in the view of the legislature, is a petition for enactment of this or subsequent enabling legislation under the Noerr-Pennington doctrine or state action under the Parker antitrust doctrine. This legislation and any resulting arrangements are intended to minimize the potential burden on general taxpayers of financing and operation of the arenas.

Subd. 2. Study and report. On or before February 1, 2014, the cities of Minneapolis and St. Paul, in consultation with representatives of the primary professional sports team tenant of each arena, shall study and report to the legislature on establishing a joint governing structure to be responsible for the joint administration, financing, and operations of the facilities and the possible effects of joint governance on the finances of each arena and each city. The commissioner of administration, in consultation with the two cities, shall contract with an independent consultant to conduct all or a portion of the study. The cities of Minneapolis and St. Paul together shall pay one-half of the cost of the consultant contract. The commissioner may accept funding from other public entities and private organizations to pay for the contract. The study must:

- (1) examine the current finances of each arena including past and projected costs and revenues, projected capital improvements, and the current and projected impact of each arena on each city's general fund;
- (2) determine the impact of joint governance on the future finances of each city;
- (3) examine joint scheduling, marketing, and promotion of events at the arenas, either within a joint governance structure or as separate entities; and
- (4) estimate the amount of funding, if any, that would be required to operate and maintain the arenas under a joint governing structure.

Subd. 3. **Appropriation.** Up to \$50,000 is appropriated to the commissioner of administration from the general fund for fiscal year 2014 to pay up to one-half of the costs of the consultant contract under subdivision 2.

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