
CHAPTER 131—H.F.No.3293
[Not Coded]

An act relating to the Seaway Port Authority of Duluth; authorizing issuance of \$1,500,000 of bonds by Seaway Port Authority of Duluth for the purpose of constructing a facility for handling cargo containers; providing for the pledge of the full faith, credit and resources of the city of Duluth for the payment of interest and principal on said bonds.

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

Section 1. SEAWAY PORT AUTHORITY OF DULUTH; BONDS, ISSUANCE. The Seaway Port Authority of Duluth is hereby given full power and authority to issue and sell bonds in an amount not to exceed \$1,500,000 for the construction of container handling facilities at the Arthur M. Clure Public Marine Terminal in Duluth owned by said Port Authority, including the power to acquire, purchase and construct all necessary warehouses, storehouses, rail lines, cranes and such other terminal or transportation facilities as may be necessary or convenient for storing, handling, or transporting containers involved in water borne commerce.

Sec. 2. POWERS. All of the powers granted to a municipality or redevelopment agency contained in Minnesota Statutes, Section 474.03, are given to the Seaway Port Authority of Duluth for the purpose of issuing the bonds and constructing the container facility referred to in section 1.

Sec. 3. SOURCE OF PAYMENT OF BONDS. Subdivision 1. The Seaway Port Authority of Duluth shall pledge all revenue derived from the container facility to be constructed from the proceeds of said bonds, after first paying all reasonable costs and expenses arising from the operation of said facility. All of the net revenues after paying of such necessary operating expenses shall be deposited in a bond sinking fund established for that purpose.

Subd. 2. In anticipation of the receipt by the Seaway Port Authority of Duluth of payments, appropriations, rents and profits and of income from any other source and for the purpose of securing funds as needed by such port authority for the payment of the cost of the property acquired and for other purposes as herein authorized, the Seaway Port Authority of Duluth is hereby authorized to issue bonds in such principal amount as shall be authorized by the governing body of the city of Duluth. Such bonds shall be in such amount and form and bear interest at such rate as the said governing body of the city of Duluth shall prescribe and shall be sold by such port authority to the highest bidder therefor after notice of the time and the place for the receiving of the bids has been published once at least two weeks prior to the

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date of receiving bids. Except as otherwise provided in this act, the issuance of the bonds herein authorized by such port authority shall be governed by provisions of Minnesota Statutes, Chapter 475, and the Seaway Port Authority of Duluth when issuing such bonds shall be deemed to be embraced within the meaning of the term "municipal corporation" as said term is used in Minnesota Statutes, Chapter 475. Notwithstanding any provision to the contrary included within the charter of the city of Duluth or any general or special law of the state of Minnesota, such bonds may be issued and sold without submission of the question thereof to the electors of the city of Duluth, provided, however, that the ordinance of the governing body of the city of Duluth authorizing issuance of such bonds by the Seaway Port Authority of Duluth shall be subject to any provisions in the charter of such city pertaining to the procedure for referendum of ordinances enacted by such governing body. Any such bonds issued by the Seaway Port Authority of Duluth shall not be included in computing the net indebtedness of the city of Duluth under any applicable law or charter provision. The receipt and expenditure of any moneys received hereunder shall not be included within the definition of any limitation imposed by any law of the state of Minnesota, and such exemption from such limitation shall apply to the Seaway Port Authority of Duluth. The taxing powers granted to the city of Duluth in connection with this act shall be in addition to all taxing powers now possessed by such city.

Subd. 3. Such bonds shall be of such date, denominations, place of payment, form and details as may be determined by the Seaway Port Authority of Duluth with the consent of the governing body of the city of Duluth. The bonds shall mature serially, the first installment to fall due in not more than three years and the last in not more than 30 years from the date of issuance.

Subd. 4. The bonds shall be signed by the chairman of the Seaway Port Authority of Duluth, attested by the secretary and countersigned by the treasurer, said officers to be elected annually by the members of the Seaway Port Authority of Duluth, and the interest coupons shall be attached thereto and be executed and authenticated by the printed, engrossed or lithographed facsimile signature of chairman and secretary. Such bonds shall not impose any personal liability upon any member of the Seaway Port Authority of Duluth.

Subd. 5. The bonds shall be secured by the pledge of the full faith, credit and resources of the city of Duluth. The Seaway Port Authority of Duluth is hereby authorized to pledge such full faith, credit and resources of the city of Duluth only upon the specific authorization of the governing body of said city that said port authority may so do. The propriety of the issuance of bonds in any specific case and the amount thereof shall be a matter of decision for such governing body in the first instance. The specific consent to the pledge of such full faith, credit and resources of the city of Duluth shall be conclusively presumed from formal action of the governing body of such city, taken by ordinance. Such bonds shall be paid, both in the principal amount

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thereof and the interest thereon, by the Seaway Port Authority of Duluth from tax levies as hereinafter provided for the purpose of repayment, and from such resources, earnings and income owned or received by the Seaway Port Authority of Duluth which are pledged to secure such payments.

Subd. 6. The Seaway Port Authority of Duluth, upon issuing any bonds under the provisions of this act, shall, before the issuance thereof, levy for each year, until the principal and interest are paid in full, a direct annual tax on all the taxable property in the city of Duluth in an amount not less than five percent in excess of the sum required to pay the principal and interest thereof when and as such principal and interest mature. After any such bonds have been delivered to the purchasers, such tax shall be irrevocable until all such indebtedness is paid, and after the issuance of such bonds no further action by the Seaway Port Authority of Duluth shall be necessary to authorize the extensions, assessments and collection of such tax. The secretary of the Seaway Port Authority of Duluth shall forthwith furnish a certified copy of such levy to the county auditor of St. Louis county, together with full information regarding the bonds for which the tax is levied and such county auditor shall extend and assess the tax so levied, and shall do so annually until the principal and interest have been paid in full. Any surplus resulting from the excess levy herein provided for shall be transferred to the bond sinking fund after the principal and interest for which the tax was levied and collected has been paid; provided that the Seaway Port Authority of Duluth may, on or before October 15 in any year, by appropriate action cause its secretary to certify to the county auditor the amount on hand and available in its own treasury from earnings, grants or other income including the amount in the sinking fund which it will use to pay principal or interest or both on said bonds and the county auditor shall reduce the levy for that year herein provided for by that amount. The amount of funds so certified shall be set aside by the Seaway Port Authority of Duluth and be used for no other purpose than for the payment of principal and interest on the bonds. All taxes hereunder shall be collected and remitted to the Seaway Port Authority of Duluth by the county auditor in accordance with the provisions of law governing the collection of other taxes and shall be used solely for the payment of the bonds when due.

Subd. 7. Bonds legally issued pursuant to this act shall be deemed authorized as securities within the provisions of Minnesota Statutes, Section 50.14, and shall be proper for the investment therein by any savings bank or trust company, insurance company, or sinking funds held by any public or municipal corporation, and may be pledged by any bank or trust company as security for the deposit of public moneys therein in lieu of surety bonds. Such bonds shall be deemed and treated as instrumentalities of a public governmental agency and, as such, exempt from taxation.

Approved March 14, 1974.

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