

SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION

S.F. No. 694

(SENATE AUTHORS: HAWJ, Pappas and Cohen)

DATE	D-PG	OFFICIAL STATUS
02/09/2015	245	Introduction and first reading Referred to State and Local Government
03/04/2015	518	Comm report: To pass
	521	Second reading
04/28/2015	2935	Special Order
	2935	Third reading Passed

1.1 A bill for an act
1.2 relating to local government; modifying provisions governing the Saint Paul
1.3 Port Authority; amending Minnesota Statutes 2014, sections 469.049; 469.050,
1.4 subdivision 4; 469.084, subdivisions 3, 4, 8, 9, 10, 14; repealing Minnesota
1.5 Statutes 2014, section 469.084, subdivisions 11, 12.

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

1.7 Section 1. Minnesota Statutes 2014, section 469.049, is amended to read:

1.8 **469.049 ESTABLISHMENT; CHARACTERISTICS.**

1.9 Subdivision 1. **Saint Paul, Duluth; establishment.** The Port Authority of Saint
1.10 Paul and the seaway port authority of Duluth are established. The Seaway Port Authority
1.11 of Duluth may also be known as the Duluth Seaway Port Authority. The Port Authority of
1.12 Saint Paul may also be known as the Saint Paul Port Authority, and the Saint Paul Port
1.13 Authority may file one or more certificates of assumed name with the secretary of state, as
1.14 provided in sections 333.01 to 333.065.

1.15 Subd. 2. **Public body characteristics.** A port authority is a body politic and
1.16 corporate with the right to sue and be sued in its own name.

1.17 A port authority is a governmental subdivision under section 282.01 and a political
1.18 subdivision.

1.19 A port authority carries out an essential governmental function of the state when it
1.20 exercises its power, but the authority is not immune from liability because of this.

1.21 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day
1.22 following timely compliance of the governing body of the Port Authority of Saint Paul, and
1.23 its chief clerical officer, with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

2.1 Sec. 2. Minnesota Statutes 2014, section 469.050, subdivision 4, is amended to read:

2.2 Subd. 4. **Term, vacancies.** (a) The first commissioners of a three-member
 2.3 commission are appointed for initial terms as follows: one for two years; one for four
 2.4 years; and one for six years. The first commissioners of a seven-member commission are
 2.5 appointed for initial terms as follows: one member for a term of one, two, three, four, and
 2.6 five years, respectively, and two members for terms of six years. For subsequent terms,
 2.7 the term is six years. A vacancy is created in Saint Paul when a city council member of the
 2.8 authority ends council membership and in Duluth when a county board member of the
 2.9 authority ends county board membership. A vacancy on any port authority must be filled
 2.10 by the appointing authority for the balance of the term subject to the same approval and
 2.11 consent, if any, required for an appointment for a full term. For Duluth, if the governor
 2.12 or the county board fails to make a required appointment within 60 days after a vacancy
 2.13 occurs, the city council has sole power to appoint a successor.

2.14 (b) The term of each commissioner of the Saint Paul Port Authority begins August 1
 2.15 of the year in which the commissioner is appointed and ends July 31 of the sixth year.
 2.16 Notwithstanding the end of a term of appointment, a commissioner shall serve until
 2.17 reappointed or a new commissioner has been appointed and taken office.

2.18 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day
 2.19 following timely compliance of the governing body of the Port Authority of Saint Paul, and
 2.20 its chief clerical officer, with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

2.21 Sec. 3. Minnesota Statutes 2014, section 469.084, subdivision 3, is amended to read:

2.22 Subd. 3. **Consent for city land.** The port authority must not take lands owned,
 2.23 controlled, or used by the city of St. Paul without consent of the city council, or owned,
 2.24 controlled, or used by Ramsey County without consent of the county board.

2.25 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day
 2.26 following timely compliance of the governing body of the Port Authority of Saint Paul, and
 2.27 its chief clerical officer, with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

2.28 Sec. 4. Minnesota Statutes 2014, section 469.084, subdivision 4, is amended to read:

2.29 Subd. 4. **Port jurisdiction.** For all other recreation purposes the port authority has
 2.30 jurisdiction over the use of all the navigable rivers or lakes and all the parks and recreation
 2.31 facilities abutting the rivers and lakes within its port district.

3.1 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day
 3.2 following timely compliance of the governing body of the Port Authority of Saint Paul, and
 3.3 its chief clerical officer, with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

3.4 Sec. 5. Minnesota Statutes 2014, section 469.084, subdivision 8, is amended to read:

3.5 Subd. 8. **Relation to industrial development provisions.** Notwithstanding any
 3.6 law to the contrary, the port authority ~~of the city of St. Paul~~, under sections 469.048 to
 3.7 469.068 and this section, may do what a redevelopment agency may do or must do under
 3.8 sections 469.152 to 469.165 to further any of the purposes of sections 469.048 to 469.068
 3.9 and subdivisions 1 to 8. The port authority may use its powers and duties under sections
 3.10 469.048 to 469.068 and subdivisions 1 to 8 to further the purposes of sections 469.152
 3.11 to 469.165. The powers and duties in subdivisions 1 to 8 are in addition to the powers
 3.12 and duties of the port authority under sections 469.048 to 469.068, and under sections
 3.13 469.152 to 469.165. The port authority may use its powers for industrial development or
 3.14 to establish industrial development districts. If the term "industrial" is used in relation to
 3.15 industrial development purposes under sections 469.048 to 469.068, the term includes
 3.16 "economic" and "economic development." The port authority may work with and provide
 3.17 services to any federal or state agency, county, city, or other governmental unit or agency
 3.18 with the written consent of that agency or governmental unit.

3.19 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day
 3.20 following timely compliance of the governing body of the Port Authority of Saint Paul, and
 3.21 its chief clerical officer, with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

3.22 Sec. 6. Minnesota Statutes 2014, section 469.084, subdivision 9, is amended to read:

3.23 Subd. 9. **May join in supplying small business capital.** Notwithstanding any
 3.24 contrary law, the port authority ~~of the city of St. Paul~~ may participate with public or
 3.25 private corporations or other entities, whose purpose is to provide venture capital to small
 3.26 businesses that have facilities located or to be located in the port district. For that purpose
 3.27 the port authority may use not more than ten percent of available annual net income
 3.28 or \$400,000 annually, whichever is less, to acquire or invest in securities of, and enter
 3.29 into financing arrangements and related agreements with, the corporations or entities.
 3.30 The participation by the port authority must not exceed in any year 25 percent of the
 3.31 total amount of funds provided for venture capital purposes by all of the participants.
 3.32 The corporation or entity shall report in writing each month to the commissioners of the
 3.33 port authority all investment and other action taken by it since the last report. Funds
 3.34 contributed to the corporation or entity must be invested pro rata with each contributor of

4.1 capital taking proportional risks on each investment. As used in this subdivision, the term
4.2 "small business" has the meaning given it in section 645.445, subdivision 2.

4.3 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day
4.4 following timely compliance of the governing body of the Port Authority of Saint Paul, and
4.5 its chief clerical officer, with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

4.6 Sec. 7. Minnesota Statutes 2014, section 469.084, subdivision 10, is amended to read:

4.7 Subd. 10. **Recreation facilities on Mississippi River.** The port authority ~~of the~~
4.8 ~~city of Saint Paul~~ has jurisdiction over the use of the Mississippi River for recreation
4.9 purposes within its port district and may acquire and may spend port authority money for
4.10 lands abutting the river within the port district to construct, operate directly, by lease or
4.11 otherwise, and maintain recreation facilities. The authority shall establish rules on the
4.12 use of the river and abutting lands, either individually, or in cooperation with the federal
4.13 government or its agencies, Ramsey County, the city of Saint Paul, the state, or a state
4.14 agency, or political subdivision.

4.15 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day
4.16 following timely compliance of the governing body of the Port Authority of Saint Paul, and
4.17 its chief clerical officer, with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

4.18 Sec. 8. Minnesota Statutes 2014, section 469.084, subdivision 14, is amended to read:

4.19 Subd. 14. **Bond for treasurer and assistant treasurer.** The treasurer and assistant
4.20 treasurer of the port authority ~~of the city of Saint Paul~~ shall give bond to the state in sums
4.21 not to exceed \$25,000 and \$10,000 respectively. The bonds must be conditioned for the
4.22 faithful discharge of their duties. The bonds must be approved as to both form and surety
4.23 by the port authority and must be filed with its secretary. The amount of the bonds must be
4.24 set at least annually by the port authority.

4.25 **EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day
4.26 following timely compliance of the governing body of the Port Authority of Saint Paul, and
4.27 its chief clerical officer, with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

4.28 Sec. 9. **REPEALER.**

4.29 Minnesota Statutes 2014, section 469.084, subdivisions 11 and 12, are repealed.

APPENDIX
Repealed Minnesota Statutes: 15-2441

469.084 ST. PAUL.

Subd. 11. **Revenue bonds.** Notwithstanding any law or charter provision to the contrary, an issue of revenue bonds authorized by the port authority of the city of St. Paul shall be issued only with the consent of the St. Paul City Council in a resolution. Notwithstanding any law or charter provision to the contrary, a project to be financed by the port authority of the city of St. Paul by proceeds of revenue bonds shall be financed only with the consent of the St. Paul City Council in a resolution. An existing obligation, contract, collective bargaining or other agreement, fringe benefit plan, or covenant made or entered into by the St. Paul Port Authority is not impaired by this subdivision.

Subd. 12. **City supervision of authority employees.** Notwithstanding any law or charter provision to the contrary, the council may, by resolution adopted by a majority of the council, place any employee of the port authority under the direction, supervision, or control of the mayor or a department of the city.