

CHAPTER 458

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applies.

458.01 [Repealed, 1949 c 119 s 110]

## TRANSPORT FACILITIES IN CITIES OF 4,000 TO 50,000

### 458.02 POWER TO GET LAND FOR TRANSPORT FACILITIES; USE.

Subdivision 1. **May get, hold.** A city with a population from 4,000 to 50,000 may acquire land on a navigable stream in the city by purchase or condemnation, and may hold it.

Subd. 2. **Use.** The city may set aside when acquired, as much of the land as public needs require for public travel. The remainder must be used as required by the federal government or for docks, quays, levees, wharves, landing places, railroad and other land transportation loading and unloading places, land and water freight and passenger stations, terminals and terminal buildings for carriers, and necessary equipment and appurtenances.

**History:** (1372-1) 1927 c 152 s 1; 1965 c 45 s 60; 1985 c 265 art 8 s 1

### 458.03 POWER TO BUILD FACILITIES, CHARGE FEES FOR USE.

Subdivision 1. **Construction.** A city described in section 458.02 may construct, erect, and maintain on land acquired under that section, docks, quays, levees, wharves, landing places, railroad and other transportation loading and unloading places, water freight and passenger stations, terminals and terminal buildings for carriers, and necessary equipment and appurtenances.

Subd. 2. **Fees.** The city council may set reasonable fees for the use of the facilities and necessary equipment and appurtenances described in section 458.02.

**History:** (1372-2) 1927 c 152 s 2; 1985 c 265 art 8 s 1

458.04-458.08 [Expired]

## PORT AUTHORITIES IN CITIES OF FIRST CLASS

### 458.09 TRAITS OF SEAWAY AND OTHER PORT AUTHORITIES.

Subdivision 1. **Saint Paul, Duluth.** The port authority of Saint Paul and the seaway port authority of Duluth are established.

Subd. 2. **Seaway port authority.** A seaway port authority is a port authority with jurisdiction over a harbor on the Great Lakes-St. Lawrence seaway.

Subd. 3. **Applicable statutes.** Sections 458.09 to 458.1991 apply to the Duluth and Saint Paul port authorities unless specifically restricted to one or the other. In those sections, "port authority" includes seaway port authority.

Subd. 4. **Public body traits.** A port authority is a body politic and corporate in the state of Minnesota with the right to sue and be sued in its own name.

A port authority is a governmental subdivision under section 282.01.

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

Subd. 5. **Port district.** A port authority has jurisdiction and may carry out its powers and duties under sections 458.09 to 458.1991 at any place or places in the city. The total area of its operations is called its port district.

Subd. 6. **May lease property.** A port authority may lease property in or out of its port district if it believes the property is suitable and proper to use to carry out its duties and responsibilities.

**History:** (1372-7 1/2) 1929 c 61 s 1; 1931 c 132 s 1; 1955 c 685 s 1; 1957 c 812 s 1;

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*1957 c 831 s 1; 1959 c 316 s 1; 1961 c 357 s 1; 1965 c 45 s 61; 1969 c 731 s 1,2; 1976 c 44 s 60; 1985 c 265 art 8 s 1*

## **458.091 COMPLIANCE EXAMINATIONS; FINANCIAL AUDITS.**

Subdivision 1. **Compliance examinations.** At the request of the city or upon the auditor's initiative, the state auditor may make a legal compliance examination of the authority for that city. Each authority examined must pay the total cost of the examination, including the salaries paid to the examiners while actually engaged in making the examination. The state auditor may bill monthly or at the completion of the audit. All collections received must be deposited in the revolving fund of the state auditor. For purposes of this section "authority" means a port authority created under this chapter or any other law.

Subd. 2. **Audits.** The financial statements of the authority must be prepared, audited, filed, and published or posted in the manner required for the financial statements of the city that established the authority. The financial statements must permit comparison and reconciliation with the city's accounts and financial reports. The report must be filed with the state auditor by June 30 of each year. The auditor shall review the report and may accept it or, in the public interest, audit the books of the authority.

**History:** *1Sp1986 c 1 art 8 s 14*

## **458.10 COMMISSIONERS; TERMS, VACANCIES, PAY, CONTINUITY.**

Subdivision 1. **Number, first term.** Except for the Saint Paul and Duluth port authorities, a port authority consists of three commissioners appointed by the city council. The first commissioners are appointed for terms as follows: one for two years; one for four years; and one for six years.

Subd. 1a. **Saint Paul.** The port authority of Saint Paul consists of seven commissioners, two of whom must be members of the city council. The mayor shall appoint the commissioners with the approval and consent of the city council.

Subd. 1b. **Other port authorities.** A port authority established under law by a city council of a city other than a city of the first class may have three members as provided in subdivision 1 or seven members as provided in subdivision 1a, unless a different number or procedure is set out in the enabling law. A three-member authority under subdivision 1 may be increased to a seven-member authority under subdivision 1a by resolution of the city council.

Subd. 2. **Duluth.** The Seaway Port Authority of Duluth consists of seven commissioners: three appointed by the city council; two by the Saint Louis county board; and two by the governor.

A member of the Saint Louis county delegation of the state House of Representatives appointed by that delegation, and a member of the Saint Louis county delegation of the state Senate appointed by that delegation are advisory members of the authority.

Subd. 3. **Term, vacancies.** The term of a port authority commissioner is six years. A vacancy is created in Saint Paul when a city council member of the authority ends council membership and in Duluth when a county board member of the authority ends county board membership. A vacancy on any port authority for this or another reason must be filled by the appointing authority for the balance of the term subject to the same approval and consent, if any, required for an appointment for a full term. For Duluth, if the governor or the county board fails to make a required appointment within 60 days after a vacancy occurs, the city council has sole power to appoint a successor.

Subd. 4. **Pay.** A commissioner shall serve without pay except for expenses incurred while performing duties. The advisory members of the Duluth authority from the legislature must not be paid for their service to the authority.

Subd. 5. **Continuation.** The Saint Paul and Duluth authorities are continuations of earlier, smaller commissions.

**History:** *(1372-7 1/2) 1929 c 61 s 2; 1955 c 685 s 2; 1957 c 812 s 2; 1957 c 926 s 1; 1983 c 131 s 1; 1985 c 265 art 8 s 1*

**458.101 NO STATE BAILOUT OF PORT AUTHORITIES.**

State appropriations or credit of the state must not be used to pay or guarantee the payment of the debt of a port authority.

**History:** 1986 c 399 art 2 s 12; 1986 c 400 s 12; 1Sp1986 c 3 art 2 s 41

**458.11 OFFICERS; DUTIES; ORGANIZATIONAL MATTERS.**

Subdivision 1. **Bylaws, rules, seal.** A port authority may adopt bylaws and rules of procedure and shall adopt an official seal.

Subd. 2. **Officers.** A port authority shall elect a president, a vice-president, a treasurer, a secretary, and an assistant treasurer. A commissioner may not serve as president and vice-president at the same time. The other offices may be held by one commissioner. The offices of secretary and assistant treasurer need not be held by a commissioner.

Subd. 3. **Duties and powers.** The officers have the usual duties and powers of their offices. They may be given other duties and powers by the port authority.

Subd. 4. **Treasurer's duties.** The treasurer:

- (1) shall receive and is responsible for port authority money;
- (2) is responsible for the acts of the assistant treasurer;
- (3) shall disburse port authority money by check only;
- (4) shall keep an account of the source of all receipts, and the nature, purpose and authority of all disbursements; and
- (5) shall file the authority's detailed financial statement with its secretary at least once a year at times set by the authority.

Subd. 5. **Assistant treasurer.** The assistant treasurer has the powers and duties of the treasurer if the treasurer is absent or disabled.

Subd. 6. **Treasurer's bond.** The treasurer shall give bond to the state conditioned for the faithful discharge of official duties. The bond must be approved as to form and surety by the authority and filed with its secretary. The bond must be for twice the amount of money probably on hand at any one time, as determined at least annually by the authority. However, the bond must not exceed \$300,000.

Subd. 7. **Public money.** Port authority money is public money.

Subd. 8. **Checks.** A port authority check must be signed by the treasurer and by one other officer named by the authority in a resolution. The check must state the name of the payee and the nature of the claim that the check is issued for.

Subd. 9. **Financial statement.** The port authority's detailed financial statement must show all receipts and disbursements, their nature, the money on hand, the purposes to which the money on hand is to be applied, the authority's credits and assets, and its outstanding liabilities. The authority shall examine the statement together with the treasurer's vouchers. If the authority finds the statement and vouchers correct, it shall approve them by resolution and enter the resolution in its records.

**History:** (1372-7 1/2b) 1929 c 61 s 3; 1957 c 831 s 2; 1959 c 447 s 1; 1985 c 265 art 8 s 1

**458.12 DEPOSITORIES; DEFAULT; COLLATERAL.**

Subdivision 1. **Named; bond.** Every two years a port authority shall name national or state banks within the state as depositories. Before acting as a depository, a named bank shall give the authority a bond approved as to form and surety by the authority. The bond must be conditioned for the safekeeping and prompt repayment of deposits. The amount of the bond must be at least equal to the maximum sum expected to be on deposit at any one time.

Subd. 2. **Default; collateral.** When port authority funds are deposited by the treasurer in a bonded depository, the treasurer and the surety on the treasurer's official bond are exempt from liability for the loss of the deposits because of the failure,

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bankruptcy, or any other act or default of the depository. However, a port authority may accept assignments of collateral from its depository to secure deposits just as assignments of collateral are permitted by law to secure deposits of the port authority's city.

**History:** (1372-7 1/2c) 1929 c 61 s 4; Ex1937 c 28 s 1; 1985 c 265 art 8 s 1

**458.13** [Repealed, 1985 c 265 art 8 s 28]

## **458.14 PORT CAN'T TAX; OTHER FISCAL MATTERS.**

Subdivision 1. **Obligations.** A port authority must not levy a tax or special assessment, pledge the credit of the state or the state's municipal corporations or other subdivisions, or incur an obligation enforceable on property, not owned by the port authority.

Subd. 2. **Budget to city.** Annually, at a time fixed by charter, resolution, or ordinance of the city, a port authority shall send its budget to its city's council. The budget must include a detailed written estimate of the amount of money that the authority expects to need from the city to do authority business during the next fiscal year. The needed amount is what is needed in excess of any expected receipts from other sources.

Subd. 3. **City levy.** A city shall, at the request of the port authority, levy a tax in any year for the benefit of the port authority. The tax must be for not more than .75 mill times the assessed valuation of taxable property in the city. The tax may be levied beyond levy limits in law. The amount levied must be paid by the city treasurer to the treasurer of the port authority, to be spent by the authority.

Subd. 4. **Fiscal year.** The fiscal year of a port authority must be the same as the fiscal year of its city. However, the Seaway Port Authority of Duluth may, by resolution, adopt a fiscal year different from the city of Duluth's fiscal year based on the international shipping season through the St. Lawrence Seaway.

Subd. 5. **County levy.** The county board of a county having a port authority city may make an appropriation for the use of the port authority. The county board may include what it considers a proper amount for the appropriation in its general revenue levy. However, the county's general revenue levy limit is not increased because of this appropriation.

Subd. 6. **St. Louis county levy.** The St. Louis county board may annually, after receiving the budget from the seaway port authority, levy a tax to raise not more than \$50,000 for the port authority for its current operations in the next fiscal year. The levy need not be included under county levy limit laws.

Subd. 7. **Outside budget laws.** Money appropriated to a port authority from county taxes under this section is not subject to a budget law that applies to the county.

Subd. 8. **County payment.** The county treasurer shall pay money appropriated or levied by a county under this section when and how the county board directs to the port authority to be spent by the port authority.

Subd. 9. **St. Louis county bonds.** When any city entitled to appoint members of a seaway port authority has secured the approval of two-thirds of the members of the city council of such city to issue its general obligation bonds, the proceeds of which are to be appropriated to such seaway port authority, the board of county commissioners of any county entitled to appoint members of such seaway port authority may by five-sevenths vote issue general obligation bonds of the county in an amount not to exceed \$4,000,000, and appropriate the proceeds thereof to be used by such port authority for any or all of the purposes specified in section 458.15, if the county board by resolution determines that the conservation, development, reclamation, protection and improvement of lands under the jurisdiction of such port authority and the construction of port facilities thereon will promote the public welfare of the county at large and the economic well-being of its people, industries and commerce, and is an essential governmental function of the county, and can best be performed through the

medium of such port authority. Any such bonds shall be issued, sold and secured as provided in sections 475.60 to 475.753; an election shall not be necessary to the validity of such bonds.

Subd. 10. **Reverse referendum.** A city may increase its levy for port authority purposes under this section, in the following way. Its city council must first pass a resolution stating the proposed amount of levy increase. The city must then publish the resolution together with a notice of public hearing on the resolution for two successive weeks in its official newspaper or if none exists in a newspaper of general circulation in the city. The hearing must be held two to four weeks after the first publication. After the hearing, the city council may decide to take no action or may adopt a resolution authorizing the proposed increase or a lesser increase. A resolution authorizing an increase must be published in the city's official newspaper or if none exists in a newspaper of general circulation in the city. The resolution is not effective if a petition requesting a referendum on the resolution is filed with the city clerk within 30 days of publication of the resolution. The petition must be signed by voters equaling five percent of the votes cast in the city in the last general election. Then the resolution is only effective if approved by a majority of those voting on the question. The commissioner of revenue shall prepare a suggested form of referendum question. The referendum must be held at a special or general election before October 1 of the year for which the levy increase is proposed.

**History:** (1372-7 1/2e) 1929 c 61 s 6; 1955 c 685 s 3; 1957 c 648 s 1; 1973 c 773 s 1; 1Sp1981 c 1 art 5 s 11; 1982 c 387 s 1; 1984 c 502 art 13 s 1; 1985 c 265 art 8 s 1

#### 458.15 USE OF CITY PROPERTY, BONDS, SERVICES, BY AUTHORITY.

Subdivision 1. **Property transfer.** The council of a port authority city may transfer or cause to be transferred to its port authority any dock, waterfront, or riparian property owned or controlled by the city, and located within the port district. The action must be by majority vote and may be with or without consideration. The city may also put the same property in the possession or control of the authority by a lease or other agreement for a limited period or in fee. Nothing in sections 458.09 to 458.19 restricts the city or a municipality from itself owning, developing, using, and improving port or terminal facilities.

Subd. 2. **Bonds, except Duluth.** A port authority city may issue bonds and appropriate bond proceeds to purchase, construct, extend, improve, and maintain docks, warehouses, or other port or terminal facilities owned or to be owned or operated by its port authority, if it is not a seaway port authority. This action may be taken in the same manner as if the facilities were public utility plants, needed public buildings and public conveniences capable of producing revenue, and were owned or to be owned or operated solely by the city.

Subd. 3. **Duluth bonds.** The city of Duluth may issue not more than \$1,000,000 of its general obligation bonds and may appropriate the bond proceeds for any of the purposes in subdivision 2 and to conserve, develop, reclaim, protect, and improve lands under the jurisdiction of its seaway port authority. The bonds shall be issued only after approval of two-thirds of the members of the city council. The bonds shall be issued, sold and secured under sections 475.60 to 475.73. The bonds are valid without an election.

Subd. 4. **Space, services.** A port authority city may furnish offices, warehouses, or other structures and space with or without heat, light, and other service to its port authority. The city council may also decide to furnish stenographic, clerical, engineering, or other assistance to its port authority.

Subd. 5. **Counsel.** The city attorney is the legal adviser to the port authority. The port authority may employ additional counsel.

**History:** (1372-7 1/2f) 1929 c 61 s 7; 1957 c 831 s 3; 1985 c 265 art 8 s 1

**458.16 DUTIES TO ADVANCE PORT, CHECK ABUSES.**

Subdivision 1. **General duties.** A port authority shall: (1) promote the general welfare of the port district, and of the port as a whole; (2) try to increase the volume of the port's commerce; (3) promote the efficient, safe, and economical handling of the commerce; and (4) provide or promote adequate docks, railroad and terminal facilities open to all on reasonable and equal terms for the handling, storage, care, and shipment of freight and passengers to, from, and through the port.

Subd. 2. **Meet, plan, regulate, investigate, report.** A port authority shall:

(1) meet with a neighboring state's port authority that shares a port or harbor with it and try to agree with that authority on a comprehensive plan to regulate, develop, and improve the harbor and port;

(2) consider and adopt detailed plans for the port district consistent with the comprehensive plan in clause (1);

(3) meet from time to time with any other state's port authority to try to agree with it on legislation and rules needed to regulate and control the whole port, and recommend the adoption of the legislation and rules to the appropriate legislative and regulatory bodies;

(4) decide on and recommend legislation and rules needed to regulate and improve navigation and commerce in the port district;

(5) jointly with a similar body, or separately, recommend to the proper departments of the federal, state, or local government, or to another body, the carrying out of public improvements to benefit the port or port district;

(6) investigate the practices, rates, and conduct of privately owned or operated dock, terminal and port facilities in the port district, start proceedings, and take steps in the public interest to remedy abuses;

(7) if necessary, bring suit for any irregularities before a proper state or federal court; and

(8) annually by April 1 give a detailed written account to its city council of its activities, its receipts and expenditures during the past calendar year, and other matters and recommendations it thinks advisable to advance the commerce and welfare of the port district.

Subd. 2a. **Subpoenas.** To conduct investigations under subdivision 2, clause (6), a port authority may examine witnesses under oath and to do so have subpoenas issued out of the district court where it is located. The subpoenas may require the attendance of witnesses and the production of books and documents.

Subd. 2b. **Broader seaport investigations.** A seaway port authority may also investigate stevedoring and car contractors, ship chandlers, and other organizations that a port depends on for its orderly development and operation.

Subd. 3. [Repealed, 1985 c 265 art 8 s 28]

Subd. 4. **One bank account.** A port authority operating under this section and also under sections 458.191 to 458.1991 may deposit all its money from any source in one bank account.

Subd. 5. **Public relations.** To further an authorized purpose a port authority may (1) join an official, industrial, commercial, or trade association, or another organization concerned with the purpose, (2) have a reception of officials or others who may contribute to advance the port district and its industrial development, and (3) carry out other public relation activities to promote the port district and its industrial development. Activities under this subdivision have a public purpose.

Subd. 6. Upon delegation by a municipality as provided in section 472B.06, a port authority may exercise any of the delegated powers in connection with mined underground space development pursuant to sections 472B.03 to 472B.07.

**History:** (1372-7 1/2g) 1929 c 61 s 8; 1959 c 447 s 2; 1959 c 699 s 1; 1963 c 247 s 1; 1985 c 194 s 16; 1985 c 265 art 8 s 1; 1Sp1986 c 3 art 1 s 56

NOTE: Laws 1959, Chapter 699, amended sections 458.16, 458.17, and 458.19. Section 4 thereof reads:

"The amendments herein contained relating to the affairs of seaway port authorities apply to the seaway port authority

of Duluth. As to said seaway port authority this law shall become effective upon approval by resolution duly adopted by the favorable vote of a majority of the commissioners of the authority. As to any other seaway port authorities to which this law may apply in the future, it shall become effective upon like approval by resolution of the commissioners of that port authority."

#### 458.17 PROPERTY CONTROL; TUNNEL, BRIDGE, SEAPORT BONDS.

**Subdivision 1. Control of property.** A port authority may acquire, purchase, construct, lease, or operate bulkheads, jetties, piers, wharves, docks, landing places, warehouses, storerooms, elevators, cold storage plants, terminals, bridges, or other terminal or transportation facilities. The authority may own, hold, lease, or operate real and personal property. The facilities and the property must be needed or convenient for storing, handling, or transporting freight, passenger traffic, and establishing rail and water transfer in the port district. The authority may make rules and fix fees for the use of the facilities and for the services it renders. The authority may borrow money and secure the loans by mortgages on property held or to be held by it or by bonds.

**Subd. 2. Sale of realty.** The authority may sell, convey, and exchange any real or personal property owned or held by it in any manner and on any terms it wishes. Real property owned by the authority must not be sold, be exchanged, or have its title transferred without approval of two-thirds of authority members following notice to all of them. All commissioners must have ten days' written notice of a regular or special meeting at which a sale, conveyance, exchange, or transfer of property is to be voted on. The notice must contain a complete description of the affected real estate. The resolution authorizing the real estate transaction is not effective unless a quorum is present.

**Subd. 3. Seaport bonds.** A seaway port authority may issue and sell its negotiable revenue bonds for a purpose in subdivision 1 or for a purpose in this chapter related to the development of a seaport. The bonds must be issued, sold, and secured in the same manner as the bonds in subdivision 6 with one exception: a trust indenture may but need not be executed. The bond resolutions and indenture, if any, must list the facilities whose net revenues are to be pledged for the bond and interest payments. The authority may in its discretion mortgage some or all of its facilities (other than a tunnel or bridge for vehicles) including additions and improvements to a trustee for the bondholders. The mortgaged facilities may include those financed by the bonds, those operated by the authority, or those leased to others. The authority may agree to covenants and restrictions about: (1) issuing more bonds payable from net revenues of the same facilities, (2) changes to the bond resolutions or the indenture, (3) the remedies and priorities of the bondholders in case of default and, (4) anything else about the security of the bonds that the authority decides is needed to best market the bonds.

**Subd. 4. Condemnation.** A port authority may acquire under eminent domain property of any kind within the port district needed by it for public use even if the property was acquired by its owner under eminent domain or even if the property is already devoted to a public use. Property vested in or held by the state or by a city, county, school district, town, or other municipality must not be taken without the holder's consent. The port authority shall adopt a resolution describing the property and stating its intended use and the necessity of the taking.

**Subd. 5. Tunnel and bridges.** A port authority may acquire and then operate and maintain an existing toll bridge for vehicles across boundary water between a city of the first class in the state and another city either in or out of state. The authority may also construct, maintain, and operate another vehicular toll bridge with its approaches across the water at a point suitable to navigation, and may reconstruct, repair, and improve both bridges. The authority may construct, maintain, and operate a tunnel under the water and reconstruct, repair, and improve it.

**Subd. 6. Tunnel and bridge bonds.** The authority may issue and sell its negotiable revenue bonds for the purposes of subdivision 5. The bonds must be authorized by port authority resolutions. The resolutions must contain usual provisions about the form



of the bonds and their maturity, interest rate, sinking fund, redemption, and refunding. The bonds must be issued under a trust indenture from the port authority to a corporate trustee. The indenture must contain the usual provisions as to: (1) the issuance of bonds; (2) the application of the revenues of the bridge or tunnel to create a sinking fund to pay the bonds and interest on them; (3) the holding of the proceeds of the bonds in a special trust to acquire or construct the bridge or tunnel; and (4) the pledge and assignment by the port authority to the trustee of the bridge or tunnel revenues in excess of the cost of operation and maintenance of it as security for the payment of the principal of and interest on the bonds. The port authority shall establish, maintain, and collect tolls for transit over the bridge or through the tunnel acquired or constructed under this section sufficient at all times to pay for its operation and maintenance and to pay the principal of and interest on the bonds issued under this subdivision. The bonds and the coupons showing interest on them are an irrevocable contract between the bondholders and the port authority that the tolls shall always be sufficient for those purposes. A bond issued under this subdivision must not bear interest at more than eight percent per year. A bond issued under this subdivision must not be sold for less than par plus accrued interest to the date of delivery and payment. Bonds may be sold at private sale without publishing prior notice of the sale. Bonds issued under this subdivision are not a debt of the port authority's city, and thus not chargeable to the city's debt limit and not payable from city property taxes. The bonds are payable solely and only from the toll revenues earned by the bridge or tunnel and pledged to the payment of the bonds.

A port authority may enter upon lands and acquire, condemn, occupy, possess, and use real estate and other property needed to locate, construct, operate, and maintain the bridge or tunnel and approaches to it. In doing so, the authority shall act just as a railroad corporation may for railroad purposes, or a bridge corporation may for bridge purposes in the state where the property is after making just compensation for the property as decided and paid under the laws of that state. The proceedings must be the same as for condemnation in that state.

**Subd. 7. Surveys; plans.** A port authority may survey or investigate the proper uses, operations, improvement, and development of the port district, the resulting stimulation of employment, and the benefit to the port district's city, county, and state. The port authority may also see that a plan is prepared to construct, develop, and improve the port in the future. The plan may be merged with existing or future plans of any city in the port district. When the plan is completed, and after public hearing, the port authority may adopt it as its official plan for the port district. Then the plan may be extended, modified, or amended only after a hearing. When the plan is adopted, all improvements made by the port authority must agree with it.

**Subd. 8. Agent for seaway port.** A seaway port authority may operate its port terminal facilities on its premises as terminal operators. If it does so, the authority may contract with a warehouse operator performing other terminal services to act as its agent. The contract may provide: (1) that the agent will be paid on a monthly basis to operate the facilities; (2) that the agent may hire the necessary personnel to carry out the functions undertaken by the contract; (3) that employees engaged by the agent are employees of the agent and not of the port authority; and (4) that the agent is responsible to pay the employees and to comply with local ordinances and state and federal laws affecting the employees. The seaway port authority may also contract with agents to perform any function that the port authority may do. The seaway port authority may retain power to set rates for a service to be performed in a terminal facility owned, leased, or operated by it.

**History:** (1372-7 1/2h) 1929 c 61 s 9; 1941 c 52 s 1; 1955 c 685 s 4; 1959 c 699 s 2; 1967 c 469 s 1; 1969 c 932 s 1; 1973 c 123 art 5 s 7; 1983 c 82 s 1; 1985 c 265 art 8 s 1

**NOTE:** Laws 1959, Chapter 699, amended sections 458.16, 458.17, and 458.19. Section 4 thereof reads:

"The amendments herein contained relating to the affairs of seaway port authorities apply to the seaway port authority of Duluth. As to said seaway port authority this law shall become effective upon approval by resolution duly adopted by the favorable vote of a majority of the commissioners of the authority. As to any other seaway port authorities to which this law may apply in the future, it shall become effective upon like approval by resolution of the commissioners of that port authority."

**458.18 EMPLOYEES; CONTRACTS; AUDITS.**

Subdivision 1. **Employees, social security.** A port authority may employ or contract for the engineering, legal, technical, clerical, stenographic, accounting, and other assistance it considers advisable. An employee of a port authority under this chapter is an "employee" under section 355.01, subdivision 4, and by appropriate action of the port authority is entitled to benefits under that section.

Subd. 1a. **Contracts.** A port authority may contract to erect, repair, maintain or operate docks, warehouses, terminals, elevators, or other structures on or in connection with property it owns or controls. The authority may contract or arrange with the federal government, or any of its departments, with persons, public corporations, the state, or any of its political subdivisions, commissions, or agencies, for separate or joint action, on any matter related to using the authority's powers or doing its duties. The authority may contract to purchase and sell real and personal property. However, an obligation or expense must not be incurred except when existing appropriations together with the reasonable expected revenue of the port authority from other sources are sufficient to discharge the obligation or pay the expense when due. The state and its municipal subdivisions are not liable on the obligations.

Subd. 2. **C.P.A. audits.** A seaway port authority may employ a certified public accountant to annually examine and audit its books. The report of the exam and audit must be sent to the state auditor. The state auditor shall review the report and may accept it or in the public interest examine the books further.

**History:** (1372-7 1/2i) 1929 c 61 s 10; 1955 c 685 s 5; 1959 c 447 s 3; 1977 c 324 s 1; 1981 c 224 s 212; 1985 c 265 art 8 s 1

**458.19 PORT CONTROL BY OTHERS; PETITION; INTERVENTION.**

Subdivision 1. **Who may regulate what; how.** Until and unless otherwise provided by law, all laws now or hereafter vesting jurisdiction or control in the department of public service of the state of Minnesota, the Interstate Commerce Commission or Department of Defense of the United States, or similar regulatory bodies shall apply to any transportation, terminal, or other facility owned, operated, leased, or controlled by the port authority with the same force and effect as if the transportation, terminal, or other facility was so owned, operated, leased, or controlled by a private corporation.

Subd. 1a. **State seaport control limited.** The state department of public service has no jurisdiction over a seaway port authority for the following matters to the extent they are connected with handling interstate commerce:

- (1) charges for stevedoring of vessels;
  - (2) receiving and delivering cargo for vessels;
  - (3) car and truck unloading and loading cargo for vessels;
  - (4) watching cargo for vessels;
  - (5) charges to vessels for use of facilities;
  - (6) charges against railroad, trucking companies or shippers for use of facilities;
- and
- (7) delivery and warehouse charges for cargo to and from and in warehouses on seaway port authority property.

Subd. 2. **Petitions, intervention.** A port authority may petition a public body of any kind or level having jurisdiction of the matter, for any relief, rates, rule, or action that the port authority believes will improve the handling of commerce in and through the port or improve terminal and transportation facilities in the port. The port authority may join with another authority sharing its port in making the petition. A port authority also may intervene before any public body in a proceeding affecting the commerce of the port. In the proceeding, the port authority is one of the official representatives of the port district along with other interested persons.

**History:** (1372-7 1/2j) 1929 c 61 s 11; 1959 c 699 s 3; 1971 c 25 s 67; 1977 c 347 s 57; 1980 c 614 s 123; 1985 c 265 art 8 s 1

**NOTE:** Laws 1959, Chapter 699, amended sections 458.16, 458.17, and 458.19. Section 4 thereof reads:

"The amendments herein contained relating to the affairs of seaway port authorities apply to the seaway port authority

of Duluth. As to said seaway port authority this law shall become effective upon approval by resolution duly adopted by the favorable vote of a majority of the commissioners of the authority. As to any other seaway port authorities to which this law may apply in the future, it shall become effective upon like approval by resolution of the commissioners of that port authority."

#### **458.191 INDUSTRIAL DEVELOPMENT DISTRICTS.**

**Subdivision 1. Creation; notice; findings.** The port authority of the city of Saint Paul and the Seaway Port Authority of Duluth may create and define the boundaries of industrial development districts in their port districts. First the authority must hold a public hearing on the matter. At least ten days before the hearing, the authority shall publish notice of the hearing in a daily newspaper of general circulation in the port district. Also, the authority shall find that a development district is proper and desirable to establish and develop a system of harbor and river improvements and industrial developments in its port district.

**Subd. 2. Policy.** It is state policy in the public interest to have a port authority use eminent domain, and advance and spend public money for the purposes in sections 458.09 to 458.1991, and to provide the means to develop marginal property according to the findings in subdivision 2b.

**Subd. 2a. Broad meaning.** In this section, development includes redevelopment, and developing includes redeveloping.

**Subd. 2b. Findings.** The legislature makes the findings in this subdivision about the purposes of this section.

(1) Sound development of the jobs and training of the people in port authority cities depends on proper development of marginal property. The general welfare of the residents of port districts requires remedies for the injurious conditions of marginal property.

(2) Marginal property cannot be developed without public participation and assistance in: (a) acquiring land, (b) planning, (c) financing of land assembly in the work of clearance and development, and (d) making necessary improvements for developing.

(3) The protection and promotion of sound development of marginal property, and of the general welfare of the residents of the port districts requires remedying the injurious conditions by appropriate means.

(4) When the development of marginal property cannot be done by private enterprise alone, it is in the public interest to use eminent domain, to advance and spend public money, and to provide the means to develop marginal property for the purposes in paragraph (2).

(5) The development of marginal property and its continuing use are public uses, public purposes, and government functions that justify spending or advancing public money and acquiring private property. The development is a state concern in the interest of health, safety and welfare of the people of the state and of the people of communities having marginal property.

(6) Sections 458.09 to 458.1991 are a public necessity.

**Subd. 3. More findings.** The legislature also makes the findings in this subdivision:

(1) Marginal property is a serious and growing menace for the public health, safety, and welfare of the people of the state and of the people of communities having marginal property.

(2) Marginal property causes problems beyond control of police power alone.

(3) Marginal property worsens the problems of preventing, prosecuting, and punishing crime, and treating juvenile delinquency, corrections, preserving public health and safety, and maintaining enough police, fire and accident protection and enough other public services and facilities.

(4) The menace of marginal property is becoming more direct and serious.

(5) All residents and property owners in communities having marginal lands will benefit from remedying the conditions on marginal property by development.

(6) An individual marginal property owner has no incentive or means to fix the property while neighboring property remains unchanged, so the marginal property declines further.

(7) The decline of marginal lands often cannot be reversed except by developing all or most of it.

(8) Marginal property is mostly found in areas of small parcels having scattered ownership, often with defective titles. Many times, private development is uneconomic and practically impossible because of costs and lack of legal power.

(9) The public may have to acquire sizable areas of marginal property at fair prices to remedy the conditions on the marginal property, and to develop the areas under proper supervision, with appropriate planning and continuing land use.

(10) The development of land acquired under sections 458.09 to 458.1991 is a public use and a governmental function. The sale or lease of the land after development is incidental to the real purpose: to remove the condition making the property marginal.

Subd. 4. **Marginal property.** "Marginal property" means property that suffers from at least one of the conditions in this subdivision:

- (1) faulty planning causing deterioration, disuse, or economic dislocation,
- (2) the subdividing and sale of lots too small and irregular for good use and development,
- (3) lots laid out ignoring their physical characteristics and surrounding conditions,
- (4) inadequate streets, open spaces, and utilities,
- (5) areas that may flood,
- (6) lower values, damaged investments, and social and economic upsets reducing taxpaying capacity making tax receipts too low for the public services rendered,
- (7) lack or improper use of areas, resulting in stagnant or unproductive land that could contribute to the public health, safety and welfare,
- (8) lower population and some improper use of areas causing more decline, and requiring more public money for new public facilities and public services elsewhere,
- (9) property valuation too low to establish a local improvement district to construct and install streets, walks, sewers, water and other utilities,
- (10) lands within an industrial area not used for industry but needed for industrial development of the area, and
- (11) state-acquired tax-forfeited land.

**History:** 1957 c 812 s 3; 1969 c 731 s 3; 1985 c 14 art 9 s 75; 1985 c 265 art 8 s 1

#### 458.192 MORE POWER TO SET UP DEVELOPMENT DISTRICTS.

Subdivision 1. **In general.** A port authority as a port authority may use the powers in this section for the purposes in section 458.191, subdivision 1. A port authority in this section includes a city that has the powers of a port authority.

Subd. 2. **Acquire property.** The port authority may acquire by lease, purchase, gift, devise, or condemnation proceedings the needed right, title and interest in property to create industrial development districts. It shall pay for the property out of money it gets under sections 458.192 to 458.1991. It may hold and dispose of the property subject to the limits and conditions in sections 458.09, 458.10, and 458.191 to 458.1991. The title to property acquired by condemnation or purchase must be in fee simple, absolute. The port authority may accept an interest in property acquired in another way subject to any condition of the grantor or donor. The condition must be consistent with the proper use of the property under sections 458.09, 458.10, and 458.191 to 458.1991. Property acquired, owned, leased, controlled, used, or occupied by the port authority for any of the purposes of this section is for public governmental and municipal purposes and is exempt from taxation by the state or by its political subdivisions. The exemption applies only while the port authority holds property for its own purpose. When property is sold it begins to be taxed again.

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Subd. 2a. **Options.** The port authority may sign options to purchase, sell, or lease property.

Subd. 3. **Eminent domain.** The port authority may use eminent domain under chapter 117, or under its city's charter to acquire property it is authorized to acquire by condemnation. The port authority may acquire in this way property acquired by its owner by eminent domain or property already devoted to a public use only if its city's council approves. The port authority may possess property to be condemned after it files a petition in condemnation proceedings describing the property. The authority may abandon the condemnation before taking possession.

Subd. 3a. [Repealed, 1985 c 265 art 8 s 28]

Subd. 4. **Contracts.** The port authority may make contracts for an industrial development purpose within the powers given it in sections 458.09, 458.10, and 458.191 to 458.1991.

Subd. 4a. **Partner.** The port authority may be a limited partner.

Subd. 5. **Rights; easements.** The port authority may acquire rights or an easement for a term of years or perpetually for development of an industrial district.

Subd. 6. **Supplies; materials.** The port authority may buy the supplies and materials it needs to carry out this section.

Subd. 7. **Receive public property.** The port authority may accept land, money, or other assistance, whether by gift, loan or otherwise, in any form from the federal or state government, or an agency of either, or a local subdivision of state government to carry out section 458.09 to 458.1991 and to acquire and develop an industrial development district and its facilities under this section.

Subd. 8. **Tax-forfeit land.** The port authority may use the power of a governmental subdivision under section 282.01 to acquire land for and develop an industrial development district. The authority may act the way a city of the first class acts under that section to acquire land forfeited to the state for nonpayment of taxes.

Subd. 9. **Procedure.** Industrial development district programs are in the public interest. To carry them out, tax-forfeited lands in the district vested in the state need to be conveyed to the developing port authority for one dollar per tract. The port authority may use and later resell the land as it finds expedient to carry out sections 458.09 to 458.1991.

In conveying tax-forfeit land to a port authority the state may not retain a possibility of reverter to or right of re-entry as it does under section 282.01, subdivision 1. Port authority use for industrial development and potential resale to private parties precludes assertion of these retained rights by the state.

The commissioner of revenue shall convey tax-forfeit parcels in an industrial development district to the port authority, if the authority petitions for conveyance under sections 458.09 to 458.1991 and when the authority pays one dollar per tract.

The attorney general shall approve the form of the deed of conveyance. The port authority shall receive absolute title to the tract, subject only to a reservation of minerals and mineral rights, under section 282.12. The deed of conveyance must not contain a restriction on the use of the premises. The conveyance divests the state of all further right, title, claim or interest in the tracts, except for the reservation of minerals and mineral rights.

Subd. 10. **Development district power.** The port authority may sell or lease land held by it for river, harbor or industrial development in industrial development districts. The authority may, if proper in the public interest, build suitable buildings or structures on land owned by it. The authority may furnish capital equipment permanently or used exclusively on the lands or in the buildings if necessary to the purposes of the buildings or structures. The port authority must intend that the buildings, structures, and equipment be leased or sold to private persons to further develop the industrial district.

The authority may acquire, develop, sell, or lease single or multiple tracts of land

regardless of size, to be developed as a part of the industrial development of the district under sections 458.09 to 458.1991.

Subd. 11. **Tax increment.** The port authority may request that the county auditor of the county of its industrial development district certify the latest assessed valuation of the legally described taxable real property in the request or of all the taxable real property in the district. The request must be made when or after an industrial development district not subject to sections 273.71 to 273.78 is created. The auditor shall make the certification. Valuation that is contributed to an areawide tax base under chapter 473F must be excluded from the certification. Each year the auditor shall certify to the authority the amounts and percentages of increase or decrease in the certified valuation. The part of the change that is contributed to an areawide tax base under chapter 473F must be excluded.

The auditor shall compute the mill rates of taxes against the original certified valuation. The auditor shall also extend the rates against any increased valuation. The auditor shall then send the resulting tax increment to the port authority. The procedure to be used for computing and sending the increments is in section 462.585, subdivisions 2 and 3.

The port authority shall keep tax increments received for a property district in a special account on its official books and records.

The auditor shall send the tax increments to the port authority until the cost including interest of redevelopment of the marginal property within the district has been fully reimbursed. The port authority shall report to the auditor when the cost is fully reimbursed. After that the auditor shall compute and extend the tax mill rates against the entire assessed valuation of the property and send the taxes to all taxing districts. The port authority's city council may direct that part or all of the tax collected from the property be pledged and appropriated to pay general obligation bonds of the authority. After the auditor has certified the base valuation used to compute tax increments and while the tax increment is kept in a separate account, the auditor must not include increases in the valuation of the property in the assessed valuation of a taxing district to compute its debt or levy limit or to compute the amount of its state or federal aid. This subdivision does not apply to a project, unless the port authority requested a certification on the project before August 2, 1979.

Subd. 12. [Repealed, 1979 c 322 s 25]

Subd. 13. **Foreign trade zone.** The port authority may apply to the board defined in United States Code, title 19, section 81a, for the right to use the powers provided in United States Code, title 19, sections 81a to 81u. If the right is granted, the authority may use the powers. One authority may apply with another port authority.

Subd. 14. **Winona meaning.** For the Winona port authority, when "industrial" is used in the context of industrial development district under this chapter, "industrial" or "industrial development" includes "economic" or "economic development."

Subd. 15. **Relation to chapter 474.** The port authority may exercise powers and duties of a redevelopment agency under chapter 474, for a purpose in sections 458.09 to 458.1991 or sections 462.411 to 462.705. The port authority may also use the powers and duties in sections 458.09 to 458.1991 and sections 462.411 to 462.705, for a purpose in chapter 474.

Subd. 16. **Parking and the like.** The port authority may operate and maintain a public parking or other public facility to promote development in a development district.

**History:** 1957 c 812 s 4; 1967 c 535 s 1; 1971 c 601 s 1; 1973 c 582 s 3; 1974 c 269 s 1-3; 1976 c 270 s 1,2; 1979 c 322 s 11; 1980 c 595 s 7,8; 1982 c 424 s 66; 1983 c 351 s 1-3; 1985 c 265 art 8 s 1

#### 458.193 PORT'S CITY-BACKED BONDS FOR CASH FLOW.

Subdivision 1. **Power; procedure.** A port authority may issue bonds in the principal amount authorized by its city's council. The bonds may be issued in

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anticipation of income from any source. The bonds may be issued: (1) to secure funds needed by the authority to pay for acquired property or (2) for other purposes in sections 458.09, 458.10, and 458.191 to 458.1991. The bonds must be in the amount and form and bear interest at the rate set by the city council. The authority shall sell the bonds to the highest bidder. The authority shall publish notice of the time and the place for receiving bids once at least two weeks before the bid deadline. Sections 458.09 to 458.1991 govern issuance of the bonds. When those sections are silent, chapter 475 governs. The port authority when issuing the bonds is a municipal corporation under chapter 475. Notwithstanding any provision to the contrary included within the charter of any such city 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 such city of the first class, provided, however, that the ordinance of the governing body of such city authorizing issuance of such bonds by such port authority 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.

**Subd. 1a. Outside debt limit.** Bonds issued by the port authority must not be included in the net debt of its city. Money received under this section must not be included in a per person limit on taxing or spending in the port authority's city's charter. The authority is also exempt from the limit.

**Subd. 2. Detail; maturity.** The port authority with the consent of its city's council shall set the date, denominations, place of payment, form and details of the bonds. The bonds must mature serially. The first installment is due in not more than three years and the last in not more than 30 years from the date of issuance.

**Subd. 3. Signatures; coupons; liability.** The bonds must be signed by the president of the port authority, be attested by its secretary, and be countersigned by its treasurer. The members of the port authority shall elect these officers annually. The interest coupons must be attached to the bonds. The coupons must be executed and authenticated by the printed, engrossed or lithographed facsimile signature of the port authority's president and secretary. The bonds do not impose any personal liability on a member of the port authority.

**Subd. 4. Pledge.** The bonds must be secured by the pledge of the full faith, credit and resources of the issuing port authority's city. The port authority may pledge the full faith, credit and resources of the city only if the city specifically authorizes the authority to do so. The city council must first decide whether the issuance of the bonds by the authority is proper in each case and if so, what amount of bonds to issue. The city council shall give specific consent in an ordinance to the pledge of the city's full faith, credit and resources. The port authority shall pay the principal amount of the bonds and the interest on it from taxes levied under this section to make the payment or from authority income from any source.

**Subd. 5. Tax levy.** A port authority that issues bonds under this section, shall, before issuing them, levy a tax for each year on the taxable property in the authority's city. The tax must be for at least five percent more than the amount required to pay the principal and interest on the bonds as the principal and interest mature. The tax must be levied annually until the principal and interest are paid in full. After the bonds have been delivered to the purchasers, the tax may not be repealed until the debt is paid. After the bonds are issued, the port authority need not take any more action to authorize extending, assessing and collecting the tax. The authority's secretary shall immediately send a certified copy of the levy to the county auditor. The secretary shall send with the copy full information on the bonds the tax is levied for. The county auditor shall extend and assess the levied tax annually until the principal and interest are paid in full. The port authority shall transfer the surplus from the excess levy in this section to a sinking fund after the principal and interest for which the tax was levied and collected is paid. The port authority may direct its secretary to send a certificate to the county auditor before October 15 in a year. The certificate must state how much available income including the amount in the sinking fund the authority will use to pay principal or interest or both on each specified issue of the authority's bonds. The

auditor shall then reduce the bond levy for that year by that amount. The port authority shall then set aside the certified amount and may not use it for any purpose except to pay the principal and interest on the bonds. The taxes in this section shall be collected and sent to the port authority by the county treasurer under the law on collection of other taxes. The taxes must be used only to pay the bonds when due.

Subd. 6. **Authorized securities.** Bonds legally issued under this chapter are authorized securities under section 50.14. A savings bank, trust company, or insurance company may invest in them. A public or municipal corporation may invest its sinking funds in them. The bonds may be pledged by a bank or trust company as security for the deposit of public money in place of a surety bond.

The authority's bonds are instrumentalities of a public governmental agency.

**History:** 1957 c 812 s 5; 1983 c 213 s 14; 1985 c 265 art 8 s 1

#### 458.1931 CITY TAXES FOR PORT: BEYOND 1957 TAX POWER.

A port authority city's power to tax under sections 458.09 to 458.1991 is in addition to taxing powers the city had on April 28, 1957.

**History:** 1985 c 265 art 8 s 1

#### 458.194 REVENUE BONDS; PLEDGE; COVENANTS.

Subdivision 1. **Power.** A port authority may decide by resolution to issue its revenue bonds either at one time or in series from time to time. The revenue bonds may be issued to provide money to pay to acquire land needed to operate the authority, to purchase, construct, install, or furnish capital equipment to operate a port terminal, transportation, or industrial facility of any kind in its port district, or to pay to extend, enlarge, or improve a project under its control. The issued bonds may include the amount the authority considers necessary to establish an initial reserve to pay principal and interest on the bonds. The port authority shall state in a resolution how the bonds and their attached interest coupons are to be executed.

Subd. 2. **Form.** The bonds of each series issued by the port authority under this section shall bear interest at a rate or rates, shall mature at the time or times within 30 years from the date of issuance and shall be in such form, whether payable to bearer, registrable as to principal, or fully registrable, as may be determined by the port authority. Section 458.193, subdivision 6 shall apply to all bonds issued under this section, and the bonds and their coupons, when payable to bearer, shall be negotiable instruments.

Subd. 3. **Sale.** The sale of revenue bonds issued by the port authority shall be at public or private sale. The bonds may be sold in the manner and for the price that the port authority determines to be for the best interest of the port authority. The bonds may be made callable, and if so issued may be refunded.

Subd. 4. **Agreements.** The port authority may by resolution make an agreement or covenant with the bondholders or their trustee. The port authority must first decide that the agreement or covenant is needed or desirable to do what it may do under this section and to assure that the revenue bonds are marketable and promptly paid.

Subd. 5. **Revenue pledge.** In issuing bonds under sections 458.09, 458.10, and 458.191 to 458.1991, the port authority may secure the payment of the principal and the interest on the bonds by a pledge of and lien on port authority revenue. The revenue must come from the facility to be acquired, constructed, or improved with the bond proceeds or from other facilities named in the bond-authorizing resolutions. The authority also may secure the payment with its promise to impose, maintain, and collect enough rentals, rates and charges, for the use and occupancy of the facilities and for services furnished in connection with the use and occupancy, to pay its current expenses to operate and maintain the named facilities, and to produce and put enough net revenue in a special fund to meet the interest and principal requirements of the bonds, and to collect and keep any more money required by the resolutions. The authority shall decide what is current expense under this subdivision based on what is



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normal and reasonable under accepted accounting principles. Revenues pledged by the port authority must not be used or pledged for any other port authority purpose or to pay any other bonds issued under this section or under section 458.193, unless the other use or pledge is specifically authorized in the bond-authorizing resolutions.

**Subd. 6. Not city debt.** Revenue bonds issued under this section are not a debt of the port authority's city nor a pledge of that city's full faith and credit. The bonds are payable only from project revenue as described in this section. A revenue bond must contain on its face a statement to the effect that the port authority and its named city do not have to pay the bond or the interest on it except from revenue and that the faith, credit, and taxing power of the city are not pledged to pay the principal of or the interest on the bond.

**Subd. 7.** [Repealed, 1961 c 497 s 5]

**Subd. 7. Not applicable.** Sections 474.01, subdivisions 7a, 7b, and 8 and 474.02, subdivision 1d, do not apply to revenue bonds issued under this section and chapter 474 if the interest on the revenue bonds is subject to both state and federal income tax or if the revenue bond proceeds are not loaned by the port authority to a private person.

**History:** 1957 c 812 s 6; 1959 c 447 s 4; 1961 c 497 s 1-3; 1967 c 535 s 2; 1969 c 932 s 2,3; 1983 c 351 s 4-6; 1985 c 265 art 8 s 1

## 458.1941 SECTIONS THAT APPLY IF FEDERAL LIMIT APPLIES.

Sections 474A.01 to 474A.21 apply to obligations issued under this chapter that are limited by a federal volume limitation act as defined in section 474A.02, subdivision 9, or existing federal tax law as defined in section 474A.02, subdivision 8.

**History:** 1984 c 582 s 9,23; 1985 c 265 art 8 s 1; 1Sp1985 c 14 art 8 s 63; 1986 c 465 art 1 s 5

## 458.195 STUDY, HIRE, PAY, BORROW, LEND, DEVELOP, BE AGENT.

**Subdivision 1. As agent.** A port authority may cooperate with or act as agent for the federal or the state government, or a state public body, or an agency or instrumentality of a government or a public body to carry out sections 458.09 to 458.1991 or any other related federal, state or local law in the area of river, harbor and industrial development district improvement.

**Subd. 2. Studies, analysis, research.** A port authority may study and analyze industrial development needs in its port district, and ways to meet the needs. A port authority may study the desirable patterns for industrial land use and community growth and other factors affecting local industrial development in the district and make the result of the studies available to the public and to industry in general. A port authority may engage in research and give out information on river, harbor and industrial development in the port district.

**Subd. 3. Pay.** A commissioner, including the president, must be paid \$35 for each regular or special port authority meeting attended.

**Subd. 4. Employees.** A port authority may employ or contract for the personnel needed to carry out its program and the responsibilities under sections 458.09 to 458.1991. Specifically, an authority may hire a chief engineer for its engineering needs and a general counsel for its legal needs. The general counsel is the chief legal advisor to the authority.

**Subd. 5. Accept public land.** A port authority may accept conveyances of land from all other public agencies, commissions or other units of government, including the housing and redevelopment authority of the city of Saint Paul and the state metropolitan airports commission, if the land can be properly used by the port authority in a river, harbor and industrial development district, to carry out the purposes of sections 458.09 to 458.1991.

**Subd. 6. Industrial development.** A port authority may carry out the law on industrial development districts to develop and improve the lands in an industrial development district to make it suitable and available for industrial uses and purposes.

A port authority may dredge, bulkhead, fill, grade and protect the property and do anything necessary and expedient, after acquiring the property, to make it suitable and attractive as a tract for industrial development. A port authority may lease some or all of its lands or property and may set up local improvement districts in all or part of an industrial development district.

In general, with respect to an industrial development district, a port authority may use all the powers given a port authority by law.

**Subd. 7. As borrower.** A port authority after authorizing bonds under section 458.193 or 458.194 may borrow to provide money immediately required for the bond purpose. The loans may not exceed the amount of the bonds. The authority shall by resolution decide the terms of the loans. The loans must be evidenced by negotiable notes due in not more than 12 months from the date of the loan payable to the order of the lender or to bearer, to be repaid with interest from the proceeds of the bonds when the bonds are issued and delivered to the bond purchasers. The loan must not be obtained from any commissioner of the port authority or from any corporation, association, or other institution of which a port authority commissioner is a stockholder or officer.

**Subd. 8. As lender.** The proceeds of obligations issued by a port authority under section 458.194 and temporary loans obtained under this section may be used to make or purchase loans for port, industrial or economic facilities that the authority believes will require financing. To make or purchase the loans, the port authority may enter into loan and related agreements, both before and after issuing the obligations, with persons, firms, public or private corporations, federal or state agencies, and governmental units under terms and conditions the port authority considers appropriate. A governmental unit in the state may apply, contract for and receive the loans. Chapter 475 does not apply to the loans.

**History:** 1957 c 812 s 7; 1961 c 497 s 4; 1977 c 143 s 1; 1983 c 351 s 7; 1985 c 265 art 8 s 1

#### 458.196 SALE OF PROPERTY.

**Subdivision 1. Power.** A port authority may sell and convey property owned by it within a port or industrial district. First, the port authority must decide that the sale and conveyance are in the best interests of the district and its people, and that the transaction furthers its general plan of port improvement, or industrial development, or both. This section is not limited by other law on powers of port authorities.

**Subd. 2. Notice; hearing.** A port authority shall hold a hearing on the sale. At the hearing a taxpayer may testify for or against the sale. At least ten, but not more than 20, days before the hearing the authority shall publish notice of the hearing on the proposed sale in a newspaper. The newspaper must be published and of general circulation in the port authority's county and port district. The notice must describe the property to be sold and state the time and place of the hearing. The notice must also state that the public may see the terms and conditions of the sale at the authority's office and that at the hearing the authority will meet to decide if the sale is advisable.

**Subd. 3. Decision; appeal.** The port authority shall make its findings and decision on whether the sale is advisable and enter its decision on its records within 30 days of the hearing. A taxpayer may appeal the decision. The appeal is made by filing a notice of appeal with the district court in the port or industrial district's county and serving the notice on the secretary of the port authority, within 20 days after the decision is entered. The only ground for appeal is that the action of the authority was arbitrary, capricious, or contrary to law.

**Subd. 4. Terms.** The terms and conditions of sale of the property must include the use that the bidder will be allowed to make of it. The authority may require the purchaser to file security to assure that the property will be given that use. In deciding the sale terms and conditions the port authority may consider the nature of the proposed use and the relation of the use to the improvement of the harbor, the

riverfront and the port authority's city and the business and the facilities of the port authority in general. The sale must be made on the port authority's terms and conditions. The port authority may publish an advertisement for bids on the property at the same time and in the same manner as the notice of hearing required in this section. The authority may award the sale to the bid considered by it to be most favorable considering the price and the specified intended use. The port authority also may sell the property at private sale at a negotiated price if after its hearing the authority considers that sale to be in the public interest and to further the aims and purposes of sections 458.09 to 458.1991.

**Subd. 5. One-year deadline.** The purchaser shall, within one year from the date of purchase, devote the property to its intended use, or shall begin work on the improvements to the property to devote it to that use. If the purchaser fails to do so, the port authority may cancel the sale and title to the property shall return to it. The port authority may extend the time to comply with a condition if the purchaser has good cause. The terms of sale may contain other provisions that the port authority considers necessary and proper to protect the public interest. A purchaser must not transfer title to the property within one year of purchase without the consent of the port authority.

**Subd. 6. Covenant running with the land.** A sale made under this section must incorporate in the deed as a covenant running with the land the conditions of sections 458.09 to 458.1991 relating to the use of the land. If the covenant is violated the authority may declare a breach of the covenant and seek a judicial decree from the district court declaring a forfeiture and a cancellation of the deed.

**Subd. 7. Plans; specifications.** A conveyance must not be made until the purchaser gives the port authority plans and specifications to develop the property sold. The port authority must approve the plans and specifications in writing. The preparation of final plans and specifications before the hearing on the sale is not required by this subdivision but the port authority may make that requirement.

**History:** 1957 c 812 s 8-15; 1963 c 425 s 1; 1985 c 265 art 8 s 1

#### 458.197 ADVANCES BY PORT AUTHORITY.

A port authority may advance its general fund money or its credit, or both, without interest, for the objects and purposes of sections 458.191 to 458.1991. The advances must be repaid from the sale or lease, or both, of developed or redeveloped lands. If the money advanced for the development or redevelopment was obtained from the sale of the port authority's general obligation bonds, then the advances must have not less than the average annual interest rate that is on the port authority's general obligation bonds that are outstanding at the time the advances are made. The port authority may advance repaid money for more objects and purposes of sections 458.191 to 458.1991 subject to repayment in the same manner. The port authority must still use rentals of lands acquired with advanced money to collect and maintain reserves to secure the payment of principal and interest on revenue bonds issued to finance port or industrial facilities, if the rentals have been pledged for that purpose under section 458.194. Advances made to acquire lands and to construct facilities for recreation purposes if authorized by law need not be reimbursed under this section. Sections 458.09 to 458.1991 do not exempt lands leased from the authority to a private person, or entity from assessments or taxes against the leased property while the lessee is liable for the assessments or taxes under the lease.

**History:** 1957 c 812 s 16; 1963 c 564 s 1; 1965 c 792 s 1; 1985 c 265 art 8 s 1

#### 458.198 FINDING LAND IS MARGINAL IS PRIMA FACIE EVIDENCE.

A port authority decision that property it seeks is marginal under section 458.19 is prima facie evidence in eminent domain proceedings that the property is marginal. To be prima facie evidence: (1) the decision must be made in a resolution, and (2) the resolution must state the characteristics that the authority thinks make the property marginal.

**History:** 1957 c 812 s 17; 1985 c 265 art 8 s 1

**458.199 PORT CITY MAY LEVY TAXES FOR PORT AUTHORITY.**

A port authority's city may levy a tax to be spent by and for its port authority. If levied, the tax must enable the port authority to carry out efficiently and in the public interest sections 458.09 to 458.1991 to create and develop industrial development districts. The port authority must request the tax levy. In any year the levy must not be for more than 7/60 of one mill on each dollar of assessed valuation of taxable property in the city. The county treasurer shall pay the money levied to the port authority treasurer. The money may be spent by the authority to do its duties to create and develop industrial development districts. In spending the money the authority must judge what best serves the public interest. The levy in this section is in addition to the levy in section 458.14. The city may disregard any levy limit in law to make the levy in this section.

**History:** 1957 c 812 s 18; 1973 c 773 s 1; 1985 c 265 art 8 s 1

**458.1991 REPEALED BID LAW APPLIES; USE OF CITY PURCHASING.**

Subdivision 1. **Repealed law.** Minnesota Statutes 1957, section 445.15, although repealed, applies to construction work and to purchases of equipment, supplies, or materials needed to carry out sections 458.09 to 458.1991.

The members of a port authority have the powers and duties of the board of trustees in repealed section 445.15.

Subd. 2. **City purchasing.** A port authority may use the facilities of its city's purchasing department in connection with construction work and to purchase equipment, supplies, or materials.

**History:** 1957 c 812 s 19; 1985 c 265 art 8 s 1

**PUBLIC WATER HIGHWAYS IN CITIES OF FIRST CLASS****458.20 CITY MAY CONDEMN WATER-COVERED LAND FOR SLIPS.**

A city of the first class may acquire by eminent domain land covered with water or an easement in the land in the city. The water-covered land must connect with or be near public navigable water other than nearby rivers in or near the city. The city council must first declare by resolution that the land must be taken to open, to lay out, or to improve a slip or other waterway. The taking may include damage, injury, or destruction to the water-covered land. The slip or waterway must lead into or connect with the public navigable water.

**History:** (1500) 1905 c 213 s 1; 1976 c 44 s 61; 1985 c 265 art 8 s 1

**458.21 CONDEMNED LAND MUST BE PUBLIC WATER HIGHWAY.**

Land acquired under section 458.20 must be held for use as a public water highway for the travel accommodation and passage of water craft.

**History:** (1501) 1905 c 213 s 2; 1985 c 265 art 8 s 1

**458.22 CITY TO ACT AS CITY GETTING BUILDING LINE EASEMENT.**

When a city council acts to acquire land or an easement in land under section 458.20, it must act the way a city council does under sections 463.01 to 463.07.

**History:** (1502) 1905 c 213 s 3; 1985 c 265 art 8 s 1

**458.23 LAND OR EASEMENT TO VEST IN CITY.**

The city's taking and appropriation of the land for the purposes of sections 458.20 to 458.23 occurs when the proceedings are over and the awards are paid. At that time the land or the easement in the land for those purposes vests absolutely in the condemning city.

**History:** (1503) 1905 c 213 s 4; 1985 c 265 art 8 s 1

## HARBORS AND WHARVES IN CITIES OF FIRST CLASS

**458.24 LAND MAY BE CONDEMNED FOR HARBORS AND WHARVES.**

Subdivision 1. **Power.** A city of the first class may condemn lands for harbors, wharves, boat landings, and for the required canals and approaches to them and may levy taxes to pay damages and other expenses of the condemnation proceedings. The condemnation must be done under chapter 117.

Subd. 2. **Entry.** The city after filing and giving notice of the filing of the award under chapter 117, may enter on and appropriate the condemned land without giving a bond. If the entry and appropriation are made, the city is absolutely bound to pay damages awarded by the commissioners or by the court on appeal and the costs and expenses assessed against it. The payment must be made within the time limit in chapter 117.

Subd. 3. **No appeal bond.** If the city appeals from the commissioner's award, the city need not give or file an appeal bond.

**History:** (1504) 1909 c 327 s 1; 1985 c 265 art 8 s 1

**458.25 BUILD AND OPERATE WHARVES AND DOCKS; USER FEES.**

Subdivision 1. **Powers.** A city of the first class may:

(1) establish, construct, maintain, and operate public landings, public wharves and docks, and transfer railroad tracks, and loading, unloading, transfer and storage facilities, in or out of the city;

(2) acquire by condemnation or otherwise riparian or other lands and other rights and easements needed for a purpose in clause (1) and construct, maintain, and operate the buildings and warehouses needed for that purpose;

(3) lay and collect reasonable duties or wharfage fees on vessels coming to or using the landings, wharves or docks;

(4) regulate the use of other wharves and docks in the city and the rates of wharfage to be paid by vessels using them;

(5) dredge or deepen the harbor or river or a branch or portion of it;

(6) make and enforce reasonable rules for the protection and use of its properties in or out of the city and impose and enforce adequate penalties for the violation of the rules.

Subd. 2. **Chapter 117 applies.** Condemnation under this section must be done under chapter 117.

**History:** (1504-1) 1921 c 363 s 1; 1976 c 44 s 62; 1985 c 265 art 8 s 1

**458.26** [Repealed, 1976 c 44 s 70]

**458.27** [Repealed, 1976 c 44 s 70]

**458.28** [Repealed, 1976 c 44 s 70]

**458.29** [Repealed, 1976 c 44 s 70]

**458.30** [Repealed, 1976 c 44 s 70]

**458.31** [Repealed, 1976 c 44 s 70]

## LEVEES IN CITIES OF FIRST CLASS

**458.32 CITY MAY GET LEVEES ON STREAM IF CHANNEL MOVED.**

Subdivision 1. **Power.** A city of the first class may acquire levees by purchase or condemnation and may hold them. The levees must not be more than 200 feet wide and may be on either side or both sides of a navigable stream in the city. The levees may be acquired when the stream's channel is changed by the federal government.

Subd. 2. **Use.** The city may set aside part of the levees as the public needs require for travel. The city may devote the rest of the levees to uses the city council considers

for the best interests of the city, allowing for any required use by the federal government.

*History: (1505) 1911 c 114 s 1; 1985 c 265 art 8 s 1*

#### **458.33 ISSUANCE OF BONDS TO GET AND IMPROVE LEVEES.**

A city of the first class may by ordinance adopted by a two-thirds vote of its entire council issue and sell bonds of the city of the par value of not more than \$500,000 to help pay to acquire and improve the levees described in section 458.32.

*History: (1506) 1911 c 114 s 2; 1985 c 265 art 8 s 1*

#### **458.34 LEVY FOR BONDS; DEBT LIMIT WAIVED; TAX LEVY.**

Subdivision 1. **Beyond debt limit.** The bonds authorized by sections 458.32 to 458.35 may be issued and sold by the city even if the sale results in the bonded debt of the city exceeding a limit in its charter or in state law.

Subd. 2. **Pledge, levy.** The full faith and credit of the city must at all times be pledged to pay the bonds issued under sections 458.32 to 458.35, and to pay the current interest on the bonds. The city council shall each year include in its tax levy a sufficient amount to pay the interest as it accrues and to accumulate a sinking fund to redeem the bonds at their maturity.

*History: (1507) 1911 c 114 s 3; 1985 c 265 art 8 s 1*

#### **458.35 TERM OF BONDS; SALE.**

Bonds issued for the purposes mentioned in sections 458.32 to 458.34 must not run for a longer term than 30 years or bear a higher rate of interest than four percent per year, payable semiannually. The city council shall decide the place of payment of the principal and interest on the bonds and the denominations of the bonds. The bonds may be in the form of coupon bonds or registered certificates. The bonds must be signed by the mayor, be attested by the city clerk, be countersigned by the city comptroller, and be sealed with the city seal. The signatures on the coupons, if any, attached to the bonds may be lithographed. The bonds must not be sold at less than their par value plus accrued interest. The bonds must be sold to the highest responsible bidder.

*History: (1508) 1911 c 114 s 4; 1985 c 265 art 8 s 1*

### **ROCK QUARRIES AND DOCKS IN CITIES OF FIRST CLASS**

#### **458.36 BONDS FOR QUARRIES AND DOCKS.**

Subdivision 1. **Power; details.** The council of a city of the first class, for a purpose in sections 458.36 to 458.40, may issue from time to time as needed negotiable bonds of the city to a total amount of not more than \$500,000. The council shall decide what denominations, place, and time of payment are best for the bonds. The bonds must be paid within ten years of their issue date. The bonds must be serial in form. One-tenth must be retired each year after issue. They must bear interest of not more than six percent per year payable semiannually, with interest coupons attached, payable at the place named on them. The city council may also negotiate and sell the bonds from time to time to the highest bidder on the best terms that can be obtained for the bonds.

Subd. 2. **Par.** The bonds must not be sold for less than their par value plus accrued interest on them.

Subd. 3. **Charter prevails.** Sections 458.36 to 458.40 do not supersede a city charter provision for a voter's referendum on ordinances passed by the council. The sections also do not supersede a city charter provision making the action of the council subject to approval of a board of estimate and taxation or fixing a particular method to authorize bonds.

*History: (1600-1) 1925 c 64 s 1; 1985 c 265 art 8 s 1*

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PORT AUTHORITIES; WATER TRANSPORTATION FACILITIES 458.40

## 458.37 TAX LEVY TO PAY BONDS.

The full faith and credit of the issuing city must at all times be pledged to pay bonds issued under sections 458.36 to 458.40, and to pay the current interest on them. The city's council shall each year include in its tax levy a sufficient amount to pay the interest as it accrues.

A tax levy need not be made if the quarry and dock fund described in section 458.39 contains enough money to make the payment.

*History: (1600-2) 1925 c 64 s 2; 1985 c 265 art 8 s 1*

## 458.38 ISSUE AND SALE OF BONDS.

Bonds issued under sections 458.36 to 458.40 must be sealed with the city seal, signed by the mayor, attested by the city clerk, and countersigned by the city comptroller or city auditor. The signatures on the coupons, if any, attached to the bonds may be lithographed. The city council shall decide the manner of the sale and how much to sell of the amount authorized in sections 458.36 to 458.40.

*History: (1600-3) 1925 c 64 s 3; 1985 c 265 art 8 s 1*

## 458.39 USE OF BOND PROCEEDS; QUARRY AND DOCK FUND.

**Subdivision 1. Proceeds.** The proceeds of bonds issued and sold under sections 458.36 to 458.40 must be used only: to acquire by gift, purchase, or condemnation, a site containing rock; to remove and use the rock for a municipal purpose, especially to construct public grounds, public docks, harbor terminals, and a breakwater for protection of the grounds, docks, and terminals; to get and pay for equipment or machinery, tracks, and labor required to make the public improvements; and to clear rock obstructions from public highways near the public improvement sites.

**Subd. 2. Quantity of rock.** The city department in charge of removing and disposing of the rock shall record the exact amount of the rock or crushed rock made from it that is removed and used by the city on its highways, or sold to contractors for the same use, or used for making other improvements under city authority or franchise.

**Subd. 3. Quarry and dock fund.** If on its highways the city uses the rock or crushed rock made from it, then the city department that maintains the streets shall pay into the city's quarry and dock fund, money equal to what it would fairly spend for the material if obtained elsewhere in the city.

If the rock is sold to contractors making public improvements in the city, or under franchise from the city, then the money must also go into the quarry and dock fund. The money in the fund must be used only to pay interest on the bonds and to retire and pay the principal of the bonds. A tax must not be levied unless there is a deficiency in the quarry and dock fund to pay the interest or principal.

If a tax is needed to make up for a deficit in the quarry and dock fund, the amount levied must be paid to the city's general fund out of proceeds of the quarry and dock fund as soon as there is enough money in the quarry and dock fund to make the payment.

*History: (1600-4) 1925 c 64 s 4; 1985 c 265 art 8 s 1*

## 458.40 MUST VOTE TO ISSUE BONDS IF CHARTER SAYS SO.

If a charter adopted under the Minnesota Constitution, article IV, section 36, has a provision that requires the question of the issuance of bonds to be submitted to the electors, the provision prevails over sections 458.36 to 458.40.

*History: (1600-5) 1925 c 64 s 5; 1985 c 265 art 8 s 1*

**458.41** [Repealed, 1985 c 265 art 8 s 28]

**458.42** MS 1967 [Repealed, 1976 c 44 s 70]

**458.43** MS 1967 [Repealed, 1976 c 44 s 70]

**458.44** MS 1967 [Repealed, 1976 c 44 s 70]

**458.45** MS 1967 [Repealed, 1976 c 44 s 70]

### CITIES' PUBLIC DOCKS

#### **458.46 MAY GET AND FIX LAND FOR DOCKS; SET FEES; REGULATE.**

A city council may by a two-thirds vote of all its members acquire lands or lands covered with water or buildings, for sites for public passenger docks. The lands must be acquired by purchase or by condemnation under chapter 117. A site for a public dock must not be acquired unless the council decides by two-thirds vote of all its members that the dock site is needed. The council may improve sites acquired for public docks by building and maintaining suitable buildings and suitable piers on the land. The city may by ordinance provide for the regulation, control, and operation of the docks, buildings and piers, and fix fees for their use.

**History:** 1897 c 181 s 1; 1976 c 44 s 63; 1985 c 265 art 8 s 1

**458.47** [Repealed, 1976 c 44 s 70]

**458.48** [Repealed, 1976 c 44 s 70]

**458.49** [Repealed, 1976 c 44 s 70]

### APPROPRIATION; EXPENDITURES

**458.50** [Repealed, 1985 c 265 art 8 s 28]

**458.51** [Repealed, 1985 c 265 art 8 s 28]

**458.52** [Repealed, 1985 c 265 art 8 s 28]

**458.53** [Repealed, 1980 c 607 art 14 s 48]

**458.54** [Repealed, 1985 c 265 art 8 s 28]

**458.55** [Repealed, 1985 c 265 art 8 s 28]

**458.56** [Repealed, 1985 c 265 art 8 s 28]

**458.57** [Repealed, 1985 c 265 art 8 s 28]

**458.58** [Repealed, 1985 c 265 art 8 s 28]

#### **458.59 RECLAIMING WASTED HARBOR LAND; SALE AND USE.**

Subdivision 1. **Policy.** The use of submerged, eroded, or depleted tracts of land in harbors on navigable waters by a political subdivision or by a port authority to conserve, develop, reclaim, or protect the land so as to restore them to economic usefulness is a public use conferring a public benefit.

Subd. 1a. **If tax-forfeit land.** The commissioner of revenue may transfer such a tract forfeited to the state for taxes to a political subdivision or port authority for a purpose in subdivision 1 in accordance with section 282.01. A political subdivision or a port authority acquiring the lands may conserve, develop, reclaim or protect them in any manner considered suitable by its governing body. After restoring the lands to a state of economic usefulness, the political subdivision or port authority may use the lands itself, or lease them on any terms and conditions the governing body sees fit.

A lease of the lands must not be made without the approval of the governor and the state executive council.

Subd. 2. **Seaway harbor land.** State-owned tax-forfeited riparian or submerged lands located in harbors on the Great Lakes-St. Lawrence Seaway and lying within 1,500 feet of the established harbor line may be offered for sale or sold as tax-forfeited land under law. If the lands lie within a port district of a seaway port authority the offer for sale or sale must not be made without the approval by resolution of the seaway port authority and of the state executive council. This subdivision does not affect Laws 1963, chapter 827.

If the lands have been developed, improved or used for business or development



purposes by persons, firms, or corporations who are using and occupying, and who have used and occupied, the property for business or development purposes for at least two years prior to sale, under a lease with the state or a governmental subdivision, then the person, firm, or corporation has the right, on the first day set for sale by the county auditor, to purchase the property at 125 percent of the appraised value.

**History:** 1957 c 849 s 10; 1965 c 473 s 1; 1973 c 582 s 3; 1985 c 265 art 8 s 1

**458.60** [Repealed, 1985 c 265 art 8 s 28]

### PORT AUTHORITY OF THE CITY OF BLOOMINGTON

#### **458.70 CITY HAS PORT AUTHORITY POWERS.**

The city of Bloomington may establish a port authority that has the same powers as a port authority established under section 458.09. If the city establishes a port authority, the city shall exercise all the powers relating to the port authority granted to a city by section 458.09 or other law.

**History:** 1980 c 453 s 1; 1985 c 265 art 8 s 2

#### **458.701 CITY HAS FULL PORT AUTHORITY POWERS.**

The city of Bloomington may do all that a port authority may do under this chapter.

**History:** 1980 c 595 s 5; 1985 c 265 art 8 s 3

#### **458.702 REALTY FROM PUBLIC AGENCIES; PAY WITH BONDS.**

Subdivision 1. **Get realty.** The port authority of the city of Bloomington may lease or purchase and accept a conveyance of real property from another public agency, commission, or unit of government. To get the property, the port authority must be able to properly use it for the purposes of sections 458.09 to 458.1991.

Subd. 2. **Issue bonds.** The port authority may, with the approval of its city council, issue bonds under section 458.193 to pay for the real property.

**History:** 1983 c 257 s 1; 1985 c 265 art 8 s 4

#### **458.703 TAX EXEMPT.**

Notwithstanding section 473.556, subdivision 6, or any other law, real property conveyed to the port authority of the city of Bloomington by the metropolitan sports facilities commission is exempt from taxation under sections 473.556, subdivision 4; and 459.192, subdivision 2.

**History:** 1984 c 548 s 9; 1985 c 265 art 8 s 5

### SEAWAY PORT AUTHORITY OF DULUTH

#### **458.711 MAY OWN, OPERATE, OR CONTRACT FOR VESSELS.**

The seaway port authority of Duluth may acquire, purchase, charter, lease, mortgage or otherwise own and operate vessels as may be necessary or convenient. The authority may enter into joint vessel ownership contracts or joint ventures with others, contract with vessel owners and operators, and enter into contractual relationships necessary or convenient to acquire, purchase, charter, lease or operate vessels.

**History:** 1975 c 326 s 1; 1985 c 265 art 8 s 6

#### **458.712 OLD LAW DOES NOT APPLY TO MINNESOTA POINT.**

The following quoted sentence from Minnesota Statutes 1961, section 458.59:

“No state owned tax forfeited land comprising riparian lands or sub-

merged lands within the harbor line as duly established, and all such tax forfeited lands lying within a distance of 1500 feet thereof, located in harbors upon the Great Lakes-St. Lawrence Seaway shall be offered for sale or sold to any private person, firm or corporation and all such tax forfeited lands are hereby withdrawn from sale to such private persons, firms or corporations."

does not apply to land located on Minnesota Point in the city of Duluth that is zoned residential under the zoning ordinance of the city. Before the land is offered for sale the city council, the county board, and the port authority must approve the offering. A sale or conveyance of the land must not include riparian rights. The riparian rights are kept by the state.

*History: 1963 c 827 s 1; 1985 c 265 art 8 s 7*

#### **458.713 PORT AUTHORITY OF DULUTH; POWERS AND DUTIES.**

The seaway port authority provisions of sections 458.16, 458.17, and 458.19 apply to the seaway port authority of Duluth.

*History: 1959 c 699 s 4; 1985 c 265 art 8 s 8*

### **CITY OF GRANITE FALLS**

#### **458.72 CITY HAS MOST CHAPTER 458 POWERS.**

The Granite Falls city council may use the powers of a governmental agency or subdivision under this chapter except that the council may not use the powers in section 458.193. The powers must be used according to and for the purposes of Laws 1981, chapter 225.

*History: 1985 c 265 art 8 s 9*

### **CITY OF LAKE CITY HARBOR AND MARINA**

#### **458.73 POWER; FUND BY 40 YEAR CHAPTER 475 OBLIGATIONS.**

**Subdivision 1. Facilities.** The city of Lake City, by its common council at the request of its waterfront board, may establish, acquire, construct, equip, lease, operate, maintain, extend, and improve a municipal harbor and marina at lake Pepin and on land near the lake. Property owned by the city on October 21, 1965, may be used for this purpose. The harbor and marina facilities may include a harbor, docks and slips for watercraft, automobile parking areas, bathing beaches, bath houses, trailer parks, picnic and recreation areas, a harbor and marina office building, concession facilities, other facilities, and needed appurtenances for any of the facilities.

**Subd. 2. Obligations.** The city of Lake City, by its common council at the request of its waterfront board, may sell and issue special obligations of the city in an amount not to exceed \$600,000. The obligations are to get money for capital spending under subdivision 1, and for needed or proper expenses incidental to the capital projects as determined by the council, and for interest on money borrowed for the capital spending during and for a reasonable time after construction. The obligations are payable solely from the revenues to come from operating the municipal harbor and marina. The obligations may mature at any time within 40 years of their date of issue. Before the obligations are delivered the council may make the pledges and covenants about them as it considers necessary or desirable. The council may pledge revenues from owning, leasing, and operating the facilities to pay the obligations.

**Subd. 3. Chapter 475 applies.** The obligations authorized in this section shall be sold and issued under chapter 475.

*History: 1965 c 344 s 1-4; 1967 c 10 s 1; 1985 c 265 art 8 s 10*

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PORT AUTHORITIES; WATER TRANSPORTATION FACILITIES 458.77

## CITY OF MINNEAPOLIS

### 458.74 MAY USE CHAPTER 458 POWERS GRANTED BY 1980 LAW.

The city of Minneapolis may exercise those powers of a governmental agency or subdivision in this chapter granted to it by Laws 1980, chapter 595.

*History: 1985 c 265 art 8 s 11*

### 458.741 PORT OPERATOR EXEMPT FROM BID LAW.

If the city of Minneapolis contracts with a corporation to operate a port facility, the corporation may sell, purchase, or rent supplies, materials, or equipment, or construct, alter, expand, repair, or maintain real or personal property at the facility without regard to section 471.345. This section applies regardless of the source of funds dispersed by the corporation.

*History: 1979 c 303 art 10 s 36; 1985 c 265 art 8 s 12*

## CITY OF PLYMOUTH AS PORT AUTHORITY

### 458.75 FULL PORT AUTHORITY POWERS.

The Plymouth city council may do all that a port authority may do under this chapter or other law.

*History: 1984 c 397 s 1; 1985 c 265 art 8 s 13*

## CITY OF ST. CLOUD AS PORT AUTHORITY

### 458.76 CITY HAS ALL POWERS OF PORT AUTHORITY.

The St. Cloud city council may do what a port authority may do under this chapter.

*History: 1984 c 498 s 1; 1985 c 265 art 8 s 14*

## PORT AUTHORITY OF THE CITY OF ST. PAUL

### 458.77 MAY RUN; BOND FOR RECREATION FACILITIES; APPROVAL.

Subdivision 1. **Get, run, and control.** Notwithstanding any law to the contrary, the port authority of the city of St. Paul may plan for, acquire by condemnation, purchase, or otherwise, construct, improve, operate, directly, by lease or otherwise, and maintain parks and other recreation facilities along navigable rivers and lakes within its port district, and on lands abutting the rivers and lakes and shall establish rules on the use of the rivers, lakes, parks and recreation facilities either alone or in cooperation with the federal government or its agencies, the city of St. Paul, the state, or an agency or political subdivision of the state.

Subd. 2. **No police power.** The port authority does not have police power except as provided by sections 458.77 to 458.772.

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

Subd. 4. **Port jurisdiction.** For all other recreation purposes the port authority has jurisdiction over the use of all the navigable rivers or lakes and all the parks and recreation facilities.

Subd. 5. **Spend for; bonds.** The port authority may spend port authority money to carry out sections 458.77 to 458.772 and issue bonds for the purposes in sections 458.77 to 458.772 according to either section 458.193 or 458.194.

Subd. 6. **City, county plan approval.** The port authority, prior to taking action under sections 458.77 to 458.772, shall submit for approval plans to acquire, improve, and operate parks and recreation facilities along navigable rivers and lakes within its port district to the city of St. Paul and, further, shall submit the plans for all areas

located within the county of Ramsey, whether located within or without the port district, to the county for approval.

**History:** *Ex1971 c 35 s 7; 1985 c 265 art 8 s 15*

#### **458.771 REVENUE BONDS; SALE; RATE OF INTEREST.**

Notwithstanding any law to the contrary, the sale of revenue bonds issued by the port authority under section 458.194, shall be at public sale under section 475.60, or in accordance with the procedures set forth in sections 474.01 to 474.13. The bonds may be sold in the manner and for the price that the port authority determines to be for the best interest of the port authority. A sale must not be made at a price so low as to cause the average annual rate of interest on the money received from the sale to exceed eight percent per year computed by adding the amount of the discount to the total amount of interest payable on all obligations of the series to their stated maturity dates. The bonds may be made callable. If issued as callable, the bonds may be refunded.

**History:** *Ex1971 c 35 s 8; 1985 c 265 art 8 s 16*

#### **458.772 RELATION TO INDUSTRIAL DEVELOPMENT ACT.**

Subdivision 1. **Reciprocal powers.** Notwithstanding any law to the contrary, the port authority of the city of St. Paul, under sections 458.09 to 458.1991 and 458.77 to 458.772, may do what a redevelopment agency may do or must do under chapter 474 to further any of the purposes of sections 458.09 to 458.1991 and 458.77 to 458.772. The port authority may use its powers and duties under sections 458.09 to 458.1991 and 458.77 to 458.772 to further the purposes of chapter 474.

Subd. 2. **Powers are additional.** The powers and duties in sections 458.77 to 458.772 shall be in addition to the powers and duties of the port authority under sections 458.09 to 458.1991, and under chapter 474.

Subd. 3. **Includes economic development.** The port authority may use its powers for industrial development or to establish industrial development districts. If the term industrial is used in relation to industrial development purposes under this chapter, the term includes economic and economic development.

**History:** *Ex1971, c 35 s 9; 1985 c 265 art 8 s 17*

#### **458.773 REVENUE BONDS FOR PARKING AND CIVIC CENTER.**

Notwithstanding any contrary law or charter, the port authority of the city of St. Paul, under sections 458.09 to 458.1991 and 458.77 to 458.772, may issue revenue bonds to finance parking facilities and facilities for the civic center complex, or any part of it, to be operated by or for the city of St. Paul. For that purpose the port authority of the city of St. Paul may enter into a lease or other financing agreement with the city, including the civic center authority, under sections 458.09 to 458.1991 and 458.77 to 458.772. The interest rate on the revenue bonds is not subject to statutory limit. An economic development district need not be created under section 458.191. The lease or other financing agreement may, but need not meet the requirements of section 474.03, clause (4). The city may, without an election and without regard to chapter 475, acquire and operate the facilities under the lease or other financing arrangement with the port authority. The city may pledge for these purposes all or part of the revenues from the facilities and from proceeds of the tax imposed under Laws 1982, chapter 523, article 25, section 1. This section supersedes any inconsistent provision of this chapter and chapters 474 and 475.

**History:** *1983 c 110 s 1; 1985 c 265 art 8 s 18*

#### **458.774 MAY JOIN IN SUPPLYING SMALL BUSINESS CAPITAL.**

Notwithstanding any contrary law, the port authority of the city of St. Paul may participate with public or private corporations or other entities, whose purpose is to provide venture capital to small businesses that have facilities located or to be located

in the port district. For that purpose the port authority may use not more than ten percent of available annual net income or \$400,000 annually, whichever is less, to acquire or invest in securities of, and enter into financing arrangements and related agreements with the corporations or entities. The participation by the port authority must not exceed in any year 25 percent of the total amount of funds provided for venture capital purposes by all of the participants. The corporation or entity shall report in writing each month to the commissioners of the port authority all investment and other action taken by it since the last report. Funds contributed to the corporation or entity must be invested pro rata with each contributor of capital taking proportional risks on each investment. As used in this section, the term "small business" means what it means in section 645.445, subdivision 2.

**History:** 1983 c 110 s 2; 1985 c 265 art 8 s 19

#### **458.775 MAY GET, RUN, CONTROL RECREATION FACILITIES.**

The port authority of the city of Saint Paul has jurisdiction over the use of the Mississippi River for recreation purposes within its port district and may acquire and may spend port authority money for lands abutting the river within the port district to construct, operate directly, by lease or otherwise, and maintain recreation facilities. The authority shall establish rules on the use of the river and abutting lands, either individually, or in cooperation with the federal government or its agencies, the city of Saint Paul, the state, or a state agency, or political subdivision. The port authority does not have any police power because of this section. The port authority must not take lands owned, controlled, or used by the city of Saint Paul without consent of the city council.

**History:** 1963 c 254 s 1; 1985 c 265 art 8 s 20

#### **458.776 CITY MUST APPROVE BONDS; MAY CONTROL WORKERS.**

Subdivision 1. **Revenue bonds.** Notwithstanding any law or the charter of the city of St. Paul 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 the charter of the city of St. Paul 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.

Subd. 2. **Impairment.** 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 subdivision 1.

Subd. 3. **City supervision.** 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.

**History:** 1976 c 234 s 3; 1983 c 110 s 3; 1985 c 265 art 8 s 21

#### **458.777 MAY INVEST IN COMMERCIAL PAPER.**

Notwithstanding section 471.56, or other law and the statutes referred to in section 471.56, the port authority of the city of St. Paul may invest its funds in commercial paper of prime quality in the same manner as the state board of investment may invest money not currently needed.

**History:** 1979 c 269 s 1; 1985 c 265 art 8 s 22

#### **458.778 BOND FOR TREASURER AND ASSISTANT TREASURER.**

The treasurer and assistant treasurer of the port authority of the city of Saint Paul shall give bond to the state in sums not to exceed \$25,000 and \$10,000 respectively. The bonds must be conditioned for the faithful discharge of their duties. The bonds must be approved as to both form and surety by the port authority and must be filed

with its secretary. The amount of the bonds must be set at least annually by the port authority.

**History:** 1961 c 545 s 1; 1985 c 265 art 8 s 23

### CITY OF SOUTH SAINT PAUL AS PORT AUTHORITY

#### 458.79 CITY HAS SAME POWER AS SAINT PAUL PORT AUTHORITY.

The South Saint Paul city council may do what a port authority including the port authority of the city of Saint Paul may do under this chapter.

**History:** 1982 c 523 art 24 s 2; 1985 c 265 art 8 s 24

### PORT AUTHORITY OF WINONA

#### 458.80 CITY MAY CREATE; APPLICABLE LAW; EXCEPTIONS.

Subdivision 1. **By resolution.** The Winona city council may by resolution establish the port authority of Winona.

Subd. 2. **Port authority law applies.** Sections 458.09 to 458.1991, apply to the Winona port authority and to the city of Winona. The sections apply just as they apply to a port authority established by section 458.09, except a seaway port authority, and to the port authority's city.

Subd. 3. **This section prevails.** Between this section and sections 458.09 to 458.1991, this section prevails.

Subd. 4. **Not seaway port.** The parts of sections 458.09 to 458.1991 that apply only to seaway port authorities do not apply to the Winona port authority.

Subd. 5. **Do not apply.** Section 458.195, subdivisions 3 and 4, and 458.198 and 458.199 do not apply to the Winona Port Authority.

Subd. 6. **City approval.** Action taken by the Winona port authority under section 458.191, 458.192, subdivision 3, or 458.194, must be approved by city council resolution to take effect.

Subd. 7. **Staff budget.** The city of Winona, by resolution of its city council, may provide the port authority with personnel and staff, temporarily, provisionally, or permanently on terms and conditions it considers appropriate. In the same way, the city may appropriate and budget the funds to administer the port authority as the city considers necessary and appropriate. Budgeted money must be budgeted, used, and accounted for according to the charter and ordinances of the city.

Subd. 8. **Marginal property.** A port authority's decision that property it seeks is marginal under section 458.19 is prima facie evidence in eminent domain proceedings that the property is marginal. The decision must be made in a resolution. The resolution must state the characteristics that the authority thinks makes the property marginal. The port authority resolution must then be approved by city council resolution.

Subd. 9. **Chapter 474 powers; approval.** The port authority has the powers granted to port authorities by chapter 474. The powers may be exercised within and outside its corporate limits. The exercise of the powers is subject to approval by resolution of the city council.

Subd. 10. **Bond interest.** Revenue bonds issued by the port authority may be negotiated and sold at a price resulting in an average annual net interest rate on the bonds of not more than seven percent per year computed to the stated maturities.

Subd. 11. **No assessments; improvement districts.** The port authority must not levy special assessments or establish local improvement districts.

The city of Winona, or its port authority with the approval by resolution of the city council, may exercise the powers in section 471.191 to acquire and to better recreational land, buildings, and facilities within or outside their corporate limits.

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Subd. 12. **Annual report.** On or before October 15 in each year the port authority shall report to the city council the amount of surplus funds that are in its judgment available for transfer to the sinking fund for any general obligation bonds of the authority, to reduce tax levies to pay the bonds. The council shall then decide by resolution what amount to transfer.

Subd. 13. **Wisconsin realty.** The port authority may purchase or lease real property in Wisconsin for barge fleetling or for recreation activities or for both.

**History:** 1967 c 541 s 1; 1969 c 98 s 1; 1973 c 114 s 1; 1985 c 265 art 8 s 25

## 458.801 TRANSFER OF CITY PROPERTY TO PORT.

Subdivision 1. **By ordinance.** The city of Winona may transfer, with or without consideration and on other terms the city council considers desirable, its interest in any real property, including fee title, to the port authority of Winona. The transfer must be authorized by ordinance.

Subd. 2. **Ordinance contents.** The ordinance must contain the following:

- (1) the general location and the specific legal description of the property;
- (2) a finding by the city council that the real property is marginal under section 458.191, subdivision 4, supported by reference to one or more of the conditions listed in subdivision 4;
- (3) a statement as to the consideration, or absence of it, to be received by the city at the time of transfer: and
- (4) other information considered appropriate by the city council.

Subd. 3. **By quitclaim deed.** A conveyance of fee title under this section must be by quitclaim deed.

**History:** 1974 c 218 s 1-3; 1985 c 265 art 8 s 26

## OTHER SEAWAY PORT AUTHORITIES

### 458.81 WHEN DULUTH SEAWAY PORT AUTHORITY LAW APPLIES.

The seaway port authority provisions of sections 458.16, 458.17, and 458.19 apply to a seaway port authority other than Duluth when a majority of the other authority's commissioners adopt a resolution that approves applying the provisions to their authority.

**History:** 1985 c 265 art 8 s 27