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## Minnesota port authority statutes

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Historical and Statutory Notes

Derivation:

St.1986, § 462.716.  
Laws 1959, c. 545, § 19.

WINONA PORT  
AUTHORITY

PORT AUTHORITIES

469.048. Definitions

**Subdivision 1. Generally.** In sections 469.048 to 469.068, the terms defined in this section have the meanings given them herein, unless the context indicates a different meaning.

**Subd. 2. Port authority.** "Port authority" or "authority" means a port authority created under section 469.049 or a special law. "Port authority" includes a seaway port authority.

**Subd. 3. Seaway port authority.** A "seaway port authority" or a "seaport" is a port authority with jurisdiction over a harbor on the Great Lakes-St. Lawrence seaway.

**Subd. 4. Port district.** A "port district" is the total area of operations of a port authority.

**Subd. 5. 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 without regard to 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 maladjustment reducing taxpaying capacity to the extent that tax receipts are too low to pay for the public services rendered;
- (7) lack of use 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 reduction of proper 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.

**Subd. 6. City.** "City" means a home rule charter or statutory city.

Laws 1987, c. 291, § 49.

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444, § 1.  
545, § 17.

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247, § 158.  
545, § 18.

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**Cross References**

Home rule charter city, defined, see § 410.015.

Statutory city, defined, see § 410.015.

**469.049. Establishment; characteristics**

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

**Subd. 2. Public body characteristics.** A port authority is a body politic and corporate 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.

Laws 1987, c. 291, § 50.

**469.050. Commissioners; terms, vacancies, pay, continuity**

**Subdivision 1. 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 consent of the city council.

**Subd. 2. Duluth.** The Seaway Port Authority of Duluth consists of seven commissioners: three appointed by the Duluth 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. 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 appointed by the city council or seven members appointed as provided in subdivision 1, unless a different number or procedure is set out in the enabling law. A three-member authority under this subdivision may be increased to a seven-member authority appointed as provided under subdivision 1 by resolution of the city council.

**Subd. 4. Term, vacancies.** The first commissioners of a three-member commission are appointed for initial terms as follows: one for two years; one for four years; and one for six years. The first commissioners of a seven-member commission are appointed for initial terms as follows: one member for a term of one, two, three, four, and five years, respectively, and two members for terms of six years. For subsequent terms, the term 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 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. 5. Pay.** A commissioner, including the president, must be paid \$35 for each regular or special port authority meeting attended and shall receive reimbursement 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.

Laws 1987, c. 291, § 51.

#### Historical and Statutory Notes

##### Derivation:

St.1986, § 458.10.  
Laws 1985, c. 265, art. 8, § 1.  
Laws 1983, c. 131, § 1.  
Laws 1957, c. 926, § 1.

Laws 1957, c. 812, § 2.  
Laws 1955, c. 685, § 2.  
St.Supp.1940, § 1372-7½a.  
Laws 1929, c. 61, § 2.

#### Cross References

Conflict of interests, see §§ 471.87, 471.88.

#### Notes of Decisions

##### Conflict of interest 1 Workers' compensation 2

##### 1. Conflict of interest

The seven commissioners of the Seaway Port Authority of Duluth are public officers within meaning of § 471.87 providing that a public officer, except as authorized in § 471.88, who is authorized to take part in any manner in making any sale, lease, or contract in his official capacity shall not voluntarily have a personal financial interest in that sale, lease, or contract or personally benefit financially therefrom. Op. Atty.Gen., 273a-17, Sept. 23, 1958.

The Seaway Port Authority of Duluth cannot use as a depository of its funds a bank in the City of Duluth wherein one of the commissioners is an officer receiving compensation from the bank. Op. Atty.Gen., 273a-17, Sept. 23, 1958.

##### 2. Workers' compensation

The seaway port authority of Duluth could pass a resolution providing for workmen's compensation coverage for the commissioners while in the course of their duties with the port authority, and the port authority could spend money for insurance premiums for the coverage, despite the fact that the commissioners had adopted a resolution waiving their right to compensation. Op. Atty.Gen., 523a-5, Feb. 3, 1971.

### 469.051. 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 annually elect a president or chair, a vice-president or vice-chair, a treasurer, a secretary, and an assistant treasurer. A commissioner may not serve as president or chair and vice-president or vice-chair 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 likely to be on hand at any one time, as determined at least annually by the authority except that 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.

Laws 1987, c. 291, § 52. Amended by Laws 1990, c. 367, § 1, eff. March 30, 1990.

**Historical and Statutory Notes**

**Derivation:**

St.1986, § 458.11.  
 Laws 1985, c. 265, art. 8, § 1.  
 Laws 1959, c. 447, § 1.  
 Laws 1957, c. 831, § 2.

St.Supp.1940, § 1372-7½b.  
 Laws 1929, c. 61, § 3.

The 1990 amendment inserted the references to "chair" and "vice-chair" in subd. 2.

**469.052. 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

## ECONOMIC DEVELOPMENT

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treasurer's official bond are exempt from liability for the loss of the deposits because of the failure, bankruptcy, or any other act or default of the depository. A port authority may accept assignments of collateral from its depository to secure deposits in the same manner as assignments of collateral are permitted by law to secure deposits of the port authority's city.

Laws 1987, c. 291, § 53.

### Historical and Statutory Notes

#### Derivation:

St.1986, § 458.12.  
Laws 1985, c. 265, art. 8, § 1.

St.Supp.1940, § 1372-7½c.  
Laws 1937, Ex.Sess., c. 28, § 1.  
Laws 1929, c. 61, § 4.

### Notes of Decisions

#### Conflict of interest 1

##### 1. Conflict of interest

The Seaway Port Authority of Duluth cannot use as a depository of its funds a bank where one or more of the commissioners owns stock in the bank. Op.Atty.Gen., 273a-17, Sept. 23, 1958.

The Seaway Port Authority of Duluth cannot use as a depository of its funds under § 458.12 (repealed; see, now, this section) a bank where-

in one of the commissioners is an officer receiving compensation from the bank, in view of § 471.87 prohibiting contracts by public officers who have a financial interest therein, or who may personally benefit financially therefrom. Op.Atty.Gen., 273a-17, Sept. 23, 1958.

The Seaway Port Authority of Duluth cannot use as a depository of its funds a bank wherein one of the commissioners of the port authority serves as an advisory member of the board of directors. Op.Atty.Gen., 273a-17, Sept. 23, 1958.

#### 469.0521. Liable in contract or tort

Subject to the provisions of chapter 466, a port authority shall be liable in contract or in tort in the same manner as a private corporation. The commissioners of a port authority shall not be personally liable as such on its contracts, or for torts, not committed or directly authorized by them. The property or funds of a port authority shall not be subject to attachment, or to levy and sale on execution, but, if a port authority refuses to pay a judgment entered against it in any court of competent jurisdiction, the district court for the county in which the port authority is situated may, by writ of mandamus, direct the treasurer of the authority to pay the judgment from any unencumbered funds available for that purpose.

Laws 1991, c. 342, § 12, eff. June 5, 1991.

### WESTLAW Electronic Research

See WESTLAW Electronic Research Guide following the Preface.

#### 469.053. Tax levies; 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 in excess of any expected receipts from other sources.

**Subd. 3. Fiscal year.** The fiscal year of a port authority must be the same as the fiscal year of its city except that 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. 4. Mandatory 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 not exceed 0.01813 percent of taxable market value. The amount levied must be paid by the city treasurer to the treasurer of the port authority, to be spent by the authority.

**Subd. 5. Reverse referendum.** A city may increase its levy for port authority purposes under subdivision 4 only as provided in this subdivision. 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. The resolution is 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.

**Subd. 6. Discretionary city levy.** Upon request of a port authority, the port authority's city may levy a tax to be spent by and for its port authority. The tax must enable the port authority to carry out efficiently and in the public interest sections 469.048 to 469.068 to create and develop industrial development districts. The levy must not be more than 0.00282 percent of taxable market value. The county treasurer shall pay the proceeds of the tax to the port authority treasurer. The money may be spent by the authority in performance of 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 subdivision is in addition to the levy in subdivision 4.

**Subd. 7. County levy.** The county board of a county having a port authority city may make an appropriation for the use of the port authority and may



levy the amount of the appropriation in its general revenue levy. The levy for this appropriation is subject to the county's levy limits.

**Subd. 8. St. Louis county levy.** After receiving the budget from the seaway port authority, the St. Louis county board may annually levy a tax to raise not more than \$50,000 for the port authority for its operations in the next fiscal year. The levy is not subject to county levy limits.

**Subd. 9. 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. 10. County payment.** The county treasurer shall pay money appropriated or levied by a county under this section when and in the manner the county board directs to the port authority to be spent by the port authority.

**Subd. 11. Prohibition on use of state funds.** State appropriations or credit of the state must not be used to pay or guarantee the payment of the debt of a port authority.

Laws 1987, c. 291, § 54. Amended by Laws 1988, c. 719, art. 5, § 84; Laws 1989, c. 277, art. 4, §§ 62, 63.

#### Historical and Statutory Notes

##### Derivation:

St.1986, §§ 458.14, 458.199.  
Laws 1985, c. 265, art. 8, § 1.  
Laws 1984, c. 502, art. 13, § 1.  
Laws 1982, c. 387, § 1.  
Laws 1981, 1st Sp., c. 1, art. 5, § 11.  
Laws 1973, c. 773, § 1.  
Laws 1957, c. 812, § 18.  
St.Supp.1940, § 1372-7½c.  
Laws 1929, c. 61, § 6.

Laws 1988, c. 719, art. 5, § 84, directed the revisor of statutes to change the words "assessed value" or "assessed valuation" wherever they appear in Minnesota Statutes to "gross tax capacity" in Minnesota Statutes 1988 and "net tax capacity" in Minnesota Statutes 1989 Supplement and subsequent editions of the statutes except § 275.011, and change the words "mill rate" wherever they appear in Minnesota Statutes to "tax capacity rate" in Minnesota Statutes 1988 and subsequent editions of the statutes except § 275.011.

Laws 1989, c. 277, art. 4, §§ 62 and 63, rewrote subd. 4; and in subd. 6 changed the maximum amount of the levy from ¼ of one mill on each dollar of gross tax capacity of taxable property in the city to 0.00282 percent of taxable market value, and deleted a provision that the levy in this subdivision is not subject to levy limits. Prior to amendment subd. 4 read:

"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 not exceed .75 mill times the gross tax capacity of taxable property in the city. The tax is not subject to levy limits. The amount levied must be paid by the city treasurer to the treasurer of the port authority, to be spent by the authority."

Laws 1989, c. 329, art. 13, § 20, amended Laws 1988, c. 719, art. 5, § 84, a revisor's instruction, by excluding from its scope "sections of Minnesota Statutes amended in this act".

#### Cross References

Newspapers, official and legal publication, see § 331A.01 et seq.

#### 469.054. Use of city property, 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 transfer must be approved by majority vote and may be with or without consideration. The city may also put the same property in the



## § 469.054

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possession or control of the authority by a lease or other agreement for a limited period or in fee. Nothing in sections 469.048 to 469.068 restricts the city or any municipality from owning, developing, using, and improving port or terminal facilities.

**Subd. 2. 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 furnish stenographic, clerical, engineering, or other assistance to its port authority.

**Subd. 3. Counsel.** The city attorney is the legal adviser to the port authority. The port authority may employ additional counsel, including a general counsel who is the chief legal advisor to the authority.

Laws 1987, c. 291, § 55.

### Historical and Statutory Notes

**Derivation:**

St.1986, § 458.15.  
Laws 1985, c. 265, art. 8, § 1.

St.Supp.1940, § 1372-7½f.  
Laws 1929, c. 61, § 7.

## 469.055. Powers and duties

**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. A port authority may carry out its powers and duties under sections 469.048 to 469.068 at any place in the city.

**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. To conduct investigations



under this clause, 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;

(7) 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;

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

(9) 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 finds advisable to advance the commerce and welfare of the port district.

**Subd. 3. Revenue pooling.** A port authority operating under this section and also under sections 469.058 to 469.068 may deposit all its money from any source in one bank account.

**Subd. 4. 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. 5. Mined underground space development.** Upon delegation by a municipality as provided in section 469.139, a port authority may exercise any of the delegated powers in connection with mined underground space development pursuant to sections 469.135 to 469.141.

**Subd. 6. Control of property.** A port authority may acquire, purchase, construct, lease, or operate bulkheads, jetties, piers, wharves, docks, landing places, warehouses, storehouses, elevators, cold storage plants, terminals, bridges, or other terminal or transportation facilities. The authority may own, hold, lease, or operate real and personal 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. 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. 7. 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 the commissioners. 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. 8. 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. 9. Tunnels and bridges.** A port authority may acquire, 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.

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 in the same manner 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. 10. 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 prepare a plan 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. After public hearing, the port authority may adopt a plan 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 be consistent with it.

**Subd. 11. Terminal operators 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

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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.

Laws 1987, c. 291, § 56.

### Historical and Statutory Notes

#### Derivation:

St.1986, §§ 458.09, 458.16, 458.17.  
Laws 1986, 1st Sp., c. 3, art. 1, § 56.  
Laws 1985, c. 265, art. 8, §§ 1, 28.  
Laws 1985, c. 194, § 16.  
Laws 1983, c. 82, § 1.  
Laws 1976, c. 44, § 60.  
Laws 1969, c. 932, § 1.  
Laws 1969, c. 731, §§ 1, 2.  
Laws 1967, c. 469, § 1.  
Laws 1963, c. 247, § 1.

Laws 1961, c. 357, § 1.  
Laws 1959, c. 699, §§ 1, 2.  
Laws 1959, c. 447, § 2.  
Laws 1959, c. 316, § 1.  
Laws 1957, c. 831, § 1.  
Laws 1957, c. 812, § 1.  
Laws 1955, c. 685, §§ 1, 4.  
Laws 1941, c. 52, § 1.  
St.Supp.1940, §§ 1372-7½, 1372-7½g,  
1372-7½h.  
Laws 1931, c. 132.  
Laws 1929, c. 61, §§ 1, 7, 8.

### Cross References

Contracts with interested officers, see § 471.88.  
Eminent domain, see § 117.011 et seq.

### United States Code Annotated

Navigation and flood control improvements, federal aid, see 33 U.S.C.A. § 567.

### United States Supreme Court

State regulation of tanker vessels, preemption by federal law, see *Ray v. Richfield Co.*, 1978, 98 S.Ct. 988, 435 U.S. 151, 55 L.Ed.2d 179.

### Notes of Decisions

**Control of property** 2, 3  
**Extraterritorial property** 2  
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**Extraterritorial property, control of property** 2  
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authority and city harmless from any claims that might be asserted by unsuccessful bidder for property. *Hoyt Inv. Corp. v. Bloomington Commerce and Trade Center Associates*, App. 1988, 421 N.W.2d 735.

#### 2. Control of property—Extraterritorial property

Although under subd. 2 of § 458.09 (repealed; see, now, subd. 6 of this section), the Port Authority of the City of St. Paul had the authority to lease property outside the territorial limits of the city and county, there was no statutory authority with reference to the purchase of real property and, therefore, the Port Authority would be so limited. *Op.Atty.Gen.* 273-a-17, Oct. 1, 1959.

#### 3. — Private use, control of property

Taking of certain commercial property was an unconstitutional taking of private property for a private use where the property taken was to be

#### 1. Purchase of property, liability

Unsuccessful bidder for property, that Court of Appeals had determined was entitled to judgment and directed trial court to enter judgment for, was entitled to judgment against successful bidder pursuant to settlement agreement, as closing had occurred, but was not entitled to entry of judgment against port authority to which property was sold or city whose port authority purchased property, although port authority had originally withheld money pursuant to agreement on retention of money to hold port



## § 469.055

### Note 3

leased to a private party for 30 years without substantial change in nature or character of the property. Port Authority of City of St. Paul v. Groppoli, 1972, 295 Minn. 1, 202 N.W.2d 371.

#### 4. Terminal operators

The tank farm facilities of the seaway port authority of Duluth could properly be leased to a private operator for such a period as it was not needed by the authority. Op.Atty.Gen., 273-A-17, March 29, 1963.

Section 458.17 (repealed; see, now, this section) permits the seaway port authority to con-

## ECONOMIC DEVELOPMENT

tract with an agent on either a fee or service basis or an incentive basis under which his compensation includes a percentage of the excess of revenues over expenses. Op.Atty.Gen., 273a-17, Feb. 9, 1966.

#### 5. Ship operation

The Seaway Port Authority of Duluth does not have the authority to charter and operate a fleet of vessels itself or to enter into a joint venture with either domestic or foreign steamship lines to operate such a fleet. Op.Atty.Gen., 273a-17, Aug. 31, 1966.

## 469.056. 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. 2. 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. An obligation or expense must not be incurred unless existing appropriations together with the reasonably 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. 3. Duluth; 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.

**Subd. 4. 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 general fund.

**Subd. 5. 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.

Laws 1987, c. 291, § 57. Amended by Laws 1989, c. 335, art. 4, § 87.

**Historical and Statutory Notes**

**Derivation:**

St.1986, §§ 458.091, 458.18.  
Laws 1986, 1st Sp., c. 1, art. 8, § 14.  
Laws 1985, c. 265, art. 8, § 1.  
Laws 1981, c. 224, § 212.  
Laws 1977, c. 324, § 1.  
Laws 1959, c. 447, § 3.

Laws 1955, c. 685, § 5.  
St.Supp.1940, § 1372-7½i.  
Laws 1929, c. 61, § 10.

The 1989 amendment in subd. 4 substituted "general fund" for "revolving fund of the state auditor".

**Cross References**

Governmental subdivisions, public employees retirement association, inapplicability, see § 353.01.

**Notes of Decisions**

Employees 1, 2  
Garnishment 1  
Pensions 2  
Garnishment, employees 1  
Pensions, employees 2

employees so long as benefits are allotted from service from and after the effective date of the plan and do not amount to additional compensation for services previously rendered for which payment has been made. Op.Atty.Gen., 273a-17, Feb. 24, 1966.

**1. Employees—Garnishment**

The Duluth Seaway Port Authority would not be subject to garnishment proceedings with respect to sums that it might owe to its employees for wages or salary earned but not yet paid. Op.Atty.Gen., 843-i, Jan. 17, 1968.

Employees of the seaway port authority are entitled to coverage under federal social security as provided in § 355.11, subd. 4, and are excluded from the provisions of the Public Employees Retirement Act pursuant to § 353.01, subd. 6. Op.Atty.Gen., 273a-17, Feb. 24, 1966.

**2. — Pensions, employees**

The seaway port authority has the power to establish a pension plan for its permanent em-

**469.057. Port control by others; petition; intervention**

**Subdivision 1. Regulation.** 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 were owned, operated, leased, or controlled by a private corporation.

**Subd. 2. Seaport control limited.** The 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. 3. 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.

Laws 1987, c. 291, § 58.

**Historical and Statutory Notes**

**Derivation:**

- |                                 |                           |
|---------------------------------|---------------------------|
| St.1986, § 458.19.              | Laws 1971, c. 25, § 67.   |
| Laws 1985, c. 265, art. 8, § 1. | Laws 1959, c. 699, § 3.   |
| Laws 1980, c. 614, § 123.       | St.Supp.1940, § 1372-7½j. |
| Laws 1977, c. 347, § 57.        | Laws 1929, c. 61, § 11.   |

**United States Code Annotated**

Interstate Commerce Act, and legislation supplementary thereto, see 49 U.S.C.A. § 10501 et seq. Policy of federal government as to terminal facilities for new projects, see 33 U.S.C.A. § 551.

**469.058. Industrial development districts**

**Subdivision 1. Creation; notice; findings.** A port authority may create and define the boundaries of industrial development districts in their port districts after holding 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. The development district may be created if the authority finds 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. In this section, "development" includes redevelopment, and "developing" includes redeveloping.

**Subd. 2. Policy.** It is state policy in the public interest to have a port authority exercise the power of eminent domain, and advance and spend public money for the purposes in sections 469.048 to 469.068, and to provide the means to develop marginal property according to the findings in subdivision 3.

**Subd. 3. Findings.** The legislature makes the findings in this subdivision about the purposes of this section.

(a) Sound development of the economic security 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 by appropriate means.

(b) Marginal property cannot be developed without public participation and assistance in: (1) acquiring land, (2) planning, (3) financing of land assembly in the work of clearance and development, and (4) making necessary improvements for developing.

When the development of marginal property cannot be done by private enterprise alone, it is in the public interest to exercise the power of eminent domain, to advance and spend public money, and to provide the means to develop marginal property.

(c) The decline of marginal lands often cannot be reversed except by developing all or most of those lands. Private development may be uneconomic and practically impossible because of costs and lack of legal power. 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. The development of land acquired under sections 469.048 to 469.068 is a public necessity and 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.

(d) 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 all residents and property owners in communities having marginal property. Marginal property causes problems beyond control of police power alone.

Laws 1987, c. 291, § 59.

**Historical and Statutory Notes**

<b>Derivation:</b>	Laws 1985, c. 265, art. 8, § 1.
St.1986, § 458.191.	Laws 1969, c. 731, § 3.
Laws 1985, 1st Sp., c. 14, art. 9, § 75.	Laws 1957, c. 812, § 3.

**Cross References**

Eminent domain, see § 117.011 et seq.

**Notes of Decisions**

Findings, marginal property 5 Government function 2 Legislative intent 1 Marginal property 5, 6 Findings 5 Public development 6 Proper and desirable, industrial development districts 4 Public development, marginal property 6	<b>Public use or purpose 3</b> <hr style="width: 10%; margin-left: 0;"/> 1. <b>Legislative intent</b> Legislature intended that if private enterprise cannot alone accomplish entire financing of all stages of development of marginal lands acquired by port authority, then the authority may exercise all powers granted to it, including authority to finance construction and lease. Port
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## § 469.058

### Note 1

Authority of City of St. Paul v. Fisher, 1966, 275 Minn. 157, 145 N.W.2d 560.

#### 2. Government function

Acquisition, reclamation and completion or redevelopment of marginal lands by port authority, achieved by revenue bond financing and lease, constituted "governmental function." Port Authority of City of St. Paul v. Fisher, 1966, 275 Minn. 157, 145 N.W.2d 560.

#### 3. Public use or purpose

Public interest was involved in suit by port authority of city against president of port authority for declaratory judgment that proposed lease by port authority to corporation was in conformity with § 58.191 (repealed; see, now, this section) and § 458.192 (repealed; see, now this section), and was constitutional, and that bond issue under § 458.193 (repealed; see, now § 469.060) was valid, and that president had duty to execute and deliver proposed lease and was authorized to execute and deliver revenue bonds, and therefore president could assail constitutionality of statutes. Port Authority of City of St. Paul v. Fisher, 1965, 269 Minn. 276, 132 N.W.2d 183.

#### 4. Proper and desirable, industrial development districts

City's failure to explicitly find that industrial district was proper and desirable as required by § 458.191 (repealed; see, now, this section) did not preclude city's exercise of condemnation powers granted to port authorities; rather, finding that district was "proper and desirable" would be inferred from finding that area was marginal property. City of Duluth v. State, 1986, 390 N.W.2d 757.

#### 5. Marginal property—Findings

Court would not overrule legislative finding of public benefit from reclamation of marginal lands, in absence of evidence that determination was arbitrary and unreasonable. Port Authority of City of St. Paul v. Fisher, 1966, 275 Minn. 157, 145 N.W.2d 560.

Legislative finding must carry great weight, but final decision of what constitutes a public purpose rests with the courts. Port Authority of

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City of St. Paul v. Fisher, 1966, 275 Minn. 157, 145 N.W.2d 560.

#### 6. — Public development, marginal property

Record established that lands acquired by port authority for reclamation and redevelopment were in fact marginal and that their reclamation and development could not be accomplished by private enterprise alone, where area was beset with health and fire hazards, subject to repeated floodings, and infested with large numbers of vermin and rodents and regarded as one of most blighted areas in city, and where cost of acquisition was greater than current market value of lands. Port Authority of City of St. Paul v. Fisher, 1966, 275 Minn. 157, 145 N.W.2d 560.

Power to reclaim and develop marginal lands can be exercised only when the lands are in fact marginal and when their reclamation and redevelopment cannot be accomplished by private enterprise alone, but the limitation may not be as strict if acquisition is determined to be necessary for the successful operation of port facilities. Port Authority of City of St. Paul v. Fisher, 1966, 275 Minn. 157, 145 N.W.2d 560.

Where it was established by sufficient proof that private financing was unavailable for construction of industrial building and that public financing was necessary and proper in public interest in order to complete development of marginal lands acquired by port authority, port authority was authorized to finance construction of building by issuance of revenue bonds and lease building to private corporation upon terms which would reimburse port authority for all cost of acquisition and redevelopment, and, proposed project, including construction and lease of an industrial building, served a public, and only incidentally a private, interest. Port Authority of City of St. Paul v. Fisher, 1966, 275 Minn. 157, 145 N.W.2d 560.

Sales of parcels of marginal lands for less than cost of acquiring and preparing property for productive use are justified on theory that price of every sale need not equal the average cost, provided the total cost be recouped when redevelopment is completed. Port Authority of City of St. Paul v. Fisher, 1966, 275 Minn. 157, 145 N.W.2d 560.

## 469.059. Development district powers

**Subdivision 1. In general.** A port authority, or a city authorized by law to exercise the powers of a port authority, may use the powers in this section for the purposes in section 469.058, subdivision 1.

**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. 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. It shall pay for the property out of money it receives under sections 469.059 to 469.068. It may hold and dispose of the property subject to the limits and conditions in sections 469.049, 469.050, and 469.058 to 469.068. 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 469.049, 469.050, and 469.058 to 469.068. 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.

**Subd. 3. Options.** The port authority may sign options to purchase, sell, or lease property.

**Subd. 4. Eminent domain.** The port authority may exercise the right of 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 take possession of 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. 5. Contracts.** The port authority may make contracts for an industrial development purpose within the powers given it in sections 469.049, 469.050, and 469.058 to 469.068.

**Subd. 6. Partner.** The port authority may be a limited partner.

**Subd. 7. 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. 8. Supplies; materials.** The port authority may buy the supplies and materials it needs to carry out this section.

**Subd. 9. 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 sections 469.048 to 469.068 and to acquire and develop an industrial development district and its facilities under this section.

**Subd. 10. Tax-forfeited 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 exercise the power of a



city of the first class under that section to acquire land forfeited to the state for nonpayment of taxes.

**Subd. 11. Procedure.** Tax-forfeited lands in an industrial development district that are vested in the state shall be conveyed to the port authority that is developing the district for one dollar per tract. The port authority may use and later resell the land for purposes of sections 469.048 to 469.068.

In conveying tax-forfeited land to a port authority, the state may not retain a possibility of reverter or right of reentry as it does under section 282.01, subdivision 1e.

The commissioner of revenue shall convey tax-forfeited parcels in an industrial development district to the port authority, if the authority petitions for conveyance under sections 469.048 to 469.068 and 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. 12. 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 in the public interest, build suitable buildings or structures on land owned by it. The authority may furnish capital equipment to be located 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 469.048 to 469.068.

**Subd. 13. Tax increment.** The port authority may request that the county auditor of the county of its industrial development district certify the latest net tax capacity of the legally described taxable real property in the request or of all the taxable real property in the district. 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 net tax capacity. The part of the change that is contributed to an areawide tax base under chapter 473F must be excluded.

The auditor shall compute the local tax rates of taxes against the original certified net tax capacity. The auditor shall also extend the rates against any increased net tax capacity. 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 provided in section 469.042, subdivisions 2 and 3.

The port authority shall keep tax increments received for a 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 local tax rates against the entire net tax capacity of the property and send the taxes to all taxing districts. The 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 net tax capacity used to compute tax increments and while the tax increment is kept in a separate account, the auditor must not include increases in the net tax capacity of the property in the net tax capacity of a taxing district to compute its debt or levy limit or to compute the amount of its state or federal aid. This subdivision applies to projects for which the port authority requested a certification on the project before August 2, 1979.

**Subd. 14. 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 in or out of its port district. One authority may apply with another port authority.

**Subd. 15. Extension of other authorities' powers.** The port authority may exercise powers and duties of a redevelopment agency under sections 469.152 to 469.165, for a purpose in sections 469.001 to 469.047 or 469.048 to 469.068. The port authority may also exercise the powers and duties in sections 469.001 to 469.047 and 469.048 to 469.068, for a purpose in sections 469.152 to 469.165.

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

**Subd. 17. Secondary market.** The port authority may sell, at private or public sale, at the price or prices determined by the authority, any note, mortgage, lease, sublease, lease purchase, or other instrument or obligation evidencing or securing a loan made for the purpose of economic development, job creation, redevelopment, or community revitalization by a public agency to a business, for-profit or nonprofit organization, or an individual.

Laws 1987, c. 291, § 60. Amended by Laws 1988, c. 580, § 4; Laws 1988, c. 719, art. 5, § 84; Laws 1989, c. 329, art. 13, § 20, eff. June 2, 1989; Laws 1989, 1st Sp., c. 1, art. 2, § 11; Laws 1990, c. 481, § 1, eff. April 25, 1990; Laws 1990, c. 604, art. 3, § 40.

#### Historical and Statutory Notes

##### Derivation:

St.1986, § 458.192.  
Laws 1985, c. 265, art. 8, §§ 1, 28.  
Laws 1983, c. 351, §§ 1 to 3.  
Laws 1982, c. 424, § 66.  
Laws 1980, c. 595, §§ 7, 8.  
Laws 1979, c. 322, § 1.  
Laws 1976, c. 270, §§ 1, 2.  
Laws 1974, c. 269, §§ 1 to 3.

Laws 1973, c. 582, § 3.

Laws 1971, c. 601, § 1.

Laws 1967, c. 535, § 1.

Laws 1957, c. 812, § 4.

Laws 1988, c. 580, § 4, added subd. 17.

Laws 1988, c. 719, art. 5, § 84, directed the revisor of statutes to change the words "assessed value" or "assessed valuation" wherever



## § 469.059

they appear in Minnesota Statutes to "gross tax capacity" in Minnesota Statutes 1988 and "net tax capacity" in Minnesota Statutes 1989 Supplement and subsequent editions of the statutes except § 275.011, and change the words "mill rate" wherever they appear in Minnesota Statutes to "tax capacity rate" in Minnesota Statutes 1988 and subsequent editions of the statutes except § 275.011.

Laws 1989, c. 329, art. 13, § 20, amended Laws 1988, c. 719, art. 5, § 84, a revisor's instruction, by excluding from its scope "sections of Minnesota Statutes amended in this act".

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Laws 1989, 1st Sp., c. 1, art. 2, § 11, provided in part that in the next edition of Minnesota Statutes, the revisor shall substitute the term "local tax rate" for "tax capacity rate" or similar term or phrase wherever it refers to the rate of tax applied to the tax capacity of property within a local unit of government or to the sum of the rates of tax of local governments.

Laws 1990, c. 481, § 1, in subd. 14, inserted "in or out of its port district".

Laws 1990, c. 604, art. 3, § 40, in subd. 11, substituted a reference to § 282.01, subd. 1e, for a reference to § 282.01, subd. 1.

### Cross References

Secondary market sales of notes, mortgages, leases, etc., restrictions, see § 465.78.

### Law Review Commentaries

Tax-increment financing, the 1979 Minnesota Act. 1981, 3 Wm. Mitchell L.Rev. 627.

### Notes of Decisions

#### Taxable property 1

##### 1. Taxable property

Port authority property which had been transferred to partnerships pursuant to "lease" and "revenue agreement" remained property "acquired, owned, leased, controlled, used, or occupied by the port authority" for purposes of statute exempting such property from ad val-

rem taxes while in hands of port authority; agreement called for partnerships to transfer "merchantable title in fee simple" to authority. County of Ramsey v. Lincoln Fort Road Housing Ltd. Partnership, 1992, 494 N.W.2d 276.

When Port Authority of city of St. Paul leased land acquired by it for redevelopment purposes, land would be restored to the tax rolls. Walsh Grain Co. v. Ramsey County, 1969, 283 Minn. 530, 167 N.W.2d 145.

## 469.060. General obligation bonds

**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 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 469.049, 469.050, and 469.058 to 469.068. 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. Except as otherwise provided in sections 469.048 to 469.068, the issuance of the bonds is governed by chapter 475. The port authority when issuing the bonds is a municipal corporation under chapter 475. Notwithstanding any contrary city charter provision or any general or special law, the bonds may be issued and sold without submission of the question to the electors of the city, provided that the ordinance of the governing body of the city authorizing issuance of the bonds by the port authority shall be subject to any provisions in the city charter pertaining to the procedure for referendum on ordinances enacted by the governing body.

**Subd. 2. 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 capita limit on taxing or spending in the port authority's city's charter. The authority is also exempt from the limit.

**Subd. 3. 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 must be due in not more than three years and the last in not more than 30 years from the date of issuance.

**Subd. 4. 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 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. 5. 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, the 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. 6. 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, together with full information on the bonds for which the tax is levied. 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 as provided in chapter 276. The taxes must be used only to pay the bonds when due.

**Subd. 7. 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.

Laws 1987, c. 291, § 61.

**Historical and Statutory Notes**

**Derivation:**

St.1986, § 458.193.

Laws 1985, c. 265, art. 8, § 1.

Laws 1983, c. 213, § 14.

Laws 1957, c. 812, § 5.

**469.061. 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 determined by the port authority. Section 469.060, subdivision 7, 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 if it determines that the agreement or covenant is needed or desirable to carry out the powers given to the authority under this section and to assure that the revenue bonds are marketable and promptly paid.

**Subd. 5. Revenue pledge.** In issuing bonds under sections 469.049, 469.050, and 469.058 to 469.068, the port authority may secure the payment of the principal and 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 deposit sufficient 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 constitutes "current" expense under this subdivision based on what is normal and reasonable under generally 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 469.060, 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 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. Not applicable.** Sections 469.153, subdivision 2, paragraph (e), and 469.154, subdivisions 3, 4, and 5, do not apply to revenue bonds issued under this section and sections 469.152 to 469.165 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.

Laws 1987, c. 291, § 62.

#### Historical and Statutory Notes

**Derivation:**

St.1986, § 458.194.  
Laws 1985, c. 265, art. 8, § 1.  
Laws 1983, c. 351, §§ 4 to 6.  
Laws 1969, c. 932, §§ 2, 3.

Laws 1967, c. 535, § 2.  
Laws 1961, c. 497, §§ 1 to 3, 5.  
Laws 1959, c. 447, § 4.  
Laws 1957, c. 812, § 6.

#### 469.062. Other bonds

**Subdivision 1. City bonds, generally.** A port authority city except the city of Duluth 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. 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. 2. 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 1 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. 3. Seaport bonds.** A seaway port authority may issue and sell its negotiable revenue bonds for a purpose in section 469.055, subdivision 6, 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 5 except that 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 mortgage some or all of its facilities, except 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. St. Louis county bonds.** When two-thirds of the members of the city council of the city of Duluth approve issuance of general obligation bonds of the city, the proceeds of which are to be appropriated to the seaway port authority, the board of St. Louis county commissioners may by five-sevenths vote issue general obligation bonds of the county. The bonds may be issued in an amount not to exceed \$4,000,000, and the proceeds appropriated to be used by the seaway port authority for any or all of the purposes specified in section 469.062, subdivision 2, if the county board by resolution determines that the conservation, development, reclamation, protection, and improvement of lands under the jurisdiction of the 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 the port authority. The bonds shall be issued, sold, and secured as provided in sections 475.60 to 475.753; the bonds are valid without an election.

**Subd. 5. Tunnel and bridge bonds.** The authority may issue and sell its negotiable revenue bonds for the purposes of section 469.055, subdivision 9. The bonds must be authorized by port authority resolutions containing the customary 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 customary 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 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. The bonds must not bear interest at more than eight percent per year. The bonds must not be sold for less than par plus accrued interest to the date of delivery and payment and 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, are not subject to the city's debt limit, and are not payable from city property taxes. The bonds are payable solely from the toll revenues earned by the bridge or tunnel and pledged to the payment of the bonds.

Laws 1987, c. 291, § 63.

#### **469.063. Sections that apply if federal limit applies**

Sections 474A.01 to 474A.21 apply to obligations issued under sections 469.048 to 469.068 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.

Laws 1987, c. 291, § 64. Amended by Laws 1987, c. 384, art. 2, § 94.

#### **Historical and Statutory Notes**

##### **Derivation:**

St.1986, § 458.1941.

Laws 1986, c. 465, art. 1, § 5.

Laws 1985, c. 265, art. 8, § 1.

Laws 1984, c. 582, § 9.

The text of former § 458C.17, repealed by Laws 1987, c. 291, § 244 was substantially incorporated into this section. Laws 1987, c. 384, art. 2, § 94 amended many of the statutory citations in § 458C.17. These amendments

were already incorporated into this section as enacted by laws 1987, c. 281, § 64.

Laws 1987, c. 291, § 243 provides:

"If a provision of a section of Minnesota Statutes repealed by section 244 is amended by the 1987 regular session, the revisor shall codify the amendment consistent with the recodification of the affected section by this act, notwithstanding any law to the contrary."

#### **Cross References**

Minnesota bond allocation act, see §§ 474A.01 to 474A.21.

#### **469.064. Port authority activities**

**Subdivision 1. Government 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 469.048 to 469.068 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 disseminate information on river, harbor, and industrial development in the port district.

**Subd. 3. 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 469.048 to 469.068.

**Subd. 4. 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. 5. Loans in anticipation of bonds.** A port authority after authorizing bonds under section 469.060 or 469.061 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. 6. Use of proceeds.** The proceeds of obligations issued by a port authority under section 469.061 and temporary loans obtained under subdivision 5 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.



## Historical and Statutory Notes

## Derivation:

St. 1986, § 458.195.

Laws 1985, c. 265, art. 8, § 1.

Laws 1983, c. 351, § 7.

Laws 1977, c. 143, § 1.

Laws 1961, c. 497, § 4.

Laws 1957, c. 812, § 7.

**469.065. Sale of property**

**Subdivision 1. Power.** A port authority may sell and convey property owned by it within a port or industrial district if it determines 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 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 469.048 to 469.068.

**Subd. 5. One-year deadline.** Within one year from the date of purchase, the purchaser shall devote the property to its intended use or 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 469.048 to 469.068 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 port authority may require preparation of final plans and specifications before the hearing on the sale.

Laws 1987, c. 291, § 66.

**Historical and Statutory Notes**

**Derivation:**

St.1986, § 458.196.  
Laws 1985, c. 265, art. 8, § 1.

Laws 1963, c. 425, § 1.  
Laws 1957, c. 812, §§ 8 to 15.

**469.066. 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 469.058 to 469.068. 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 469.058 to 469.068 subject to repayment in the same manner. The port authority must 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 469.061. Advances made to acquire lands and to construct facilities for recreation purposes if authorized by law need not be reimbursed under this section. Sections 469.048 to 469.068 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.

Laws 1987, c. 291, § 67.

## Historical and Statutory Notes

<b>Derivation:</b>	Laws 1965, c. 792, § 1.
St.1986, § 458.197.	Laws 1963, c. 564, § 1.
Laws 1985, c. 265, art. 8, § 1.	Laws 1957, c. 812, § 16.

**469.067. Finding land is marginal is prima facie evidence**

A port authority decision that property it seeks is marginal is prima facie evidence in eminent domain proceedings that the property is marginal if the decision is made in a resolution, stating the characteristics that make the property marginal.

Laws 1987, c. 291, § 68.

## Historical and Statutory Notes

<b>Derivation:</b>	Laws 1985, c. 265, art. 8, § 1.
St.1986, § 458.198.	Laws 1957, c. 812, § 17.

## Cross References

Eminent domain, see § 117.011 et seq.

## Notes of Decisions

**Burden of proof 1****1. Burden of proof**

City council's finding that industrial development district was marginal property was prima facie evidence that such property was, in fact,

marginal, thus shifting to property owners challenging condemnation the burden of producing evidence that property was not marginal, which burden was not met by owners, who attacked city council's findings as made at suggestion of counsel and based on inadequate inspection. *City of Duluth v. State*, 1986, 390 N.W.2d 757.

**469.068. Construction, equipment contracts; use of city purchasing**

**Subdivision 1. Contracts; bids; bonds.** All construction work and every purchase of equipment, supplies, or materials necessary in carrying out the purposes of sections 469.048 to 469.068, that involve the expenditure of \$1,000 or more, shall be awarded by contract as provided in this subdivision. Before receiving bids under sections 469.048 to 469.068, the authority shall publish, once a week for two consecutive weeks in the official newspaper of the port's city, a notice that bids will be received for the construction work, or purchase of equipment, supplies, or materials. The notice shall state the nature of the work, and the terms and conditions upon which the contract is to be let and name a time and place where the bids will be received, opened, and read publicly, which time shall be not less than seven days after the date of the last publication. After the bids have been received, opened, read publicly, and recorded, the commissioners shall award the contract to the lowest responsible bidder, reserving the right to reject any or all bids. The contract shall be executed in writing and the person to whom the contract is awarded shall give sufficient bond to the board for its faithful performance. If no satisfactory bid is received, the port authority may readvertise, or, by an affirmative vote of two of its commissioners in the case of a three-member commission, or five of its members in the case of a seven-member commission, may authorize the



authority to perform any part or parts of any construction work by day labor under conditions it prescribes. The commissioners may establish reasonable qualifications to determine the fitness and responsibility of bidders, and require bidders to meet the qualifications before bids are accepted. If the commissioners by a two-thirds or five-sevenths vote declare that an emergency exists requiring the immediate purchase of any equipment or material or supplies at a cost in excess of \$1,000, but not exceeding \$5,000, in amount, or making of emergency repairs, it shall not be necessary to advertise for bids, but the material, equipment, or supplies may be purchased in the open market at the lowest price obtainable, or the emergency repairs may be contracted for or performed without securing formal competitive bids. An emergency, for purposes of this section, is unforeseen circumstances or conditions which result in the jeopardizing of human life or property.

In all contracts involving the employment of labor, the commissioners shall stipulate conditions they deem reasonable, as to the hours of labor and wages and may stipulate as to the residence of employees to be employed by the contractors.

Bonds shall be required from contractors for any works of construction as provided in and subject to all the provisions of sections 574.26 to 574.31.

**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.

Laws 1987, c. 291, § 69.

**Historical and Statutory Notes**

**Derivation:**  
St.1986, § 458.1991.

Laws 1985, c. 265, art. 8, § 1.  
Laws 1957, c. 812, § 19.

**LOCAL PORT AUTHORITY PROVISIONS**

**469.069. Albert Lea**

The city of Albert Lea may establish a port authority commission that has the same powers as a port authority established under section 469.049 or other law. If the city establishes a port authority commission, the city shall exercise all the powers relating to the port authority granted to a city by sections 469.048 to 469.068 or other law. Notwithstanding any law to the contrary, the city may choose the name of the commission and may appoint a seven-member commission.

Laws 1987, c. 291, § 70.

**469.070. Austin**

The city of Austin may establish a port authority commission that has the same powers as a port authority established under section 469.049 or other law. If the city establishes a port authority commission, the city shall exercise all the powers relating to the port authority granted to a city by sections

**469.087. Warroad**

The city of Warroad may establish a port authority commission that has the same powers as a port authority established under section 469.049 or other law. If the city establishes a port authority commission, the city shall exercise all the powers relating to the port authority granted to a city by sections 469.048 to 469.068 or other law. Notwithstanding any law to the contrary, the city may choose the name of the commission and may appoint a seven-member commission.

Laws 1987, c. 291, § 88.

**469.088. White Bear Lake**

The governing body of the city of White Bear Lake may exercise all the powers of a port authority provided by sections 469.048 to 469.068.

Laws 1987, c. 291, § 89.

**469.089. Winona**

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

**Subd. 2. Port authority law applies.** Sections 469.048 to 469.068 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 469.049, except a seaway port authority, and to the port authority's city, except as otherwise provided in this section. For the Winona port authority, when "industrial" is used in the context of industrial development district under sections 469.048 to 469.068, "industrial" or "industrial development" includes "economic" or "economic development." Sections 469.056, subdivision 1, 469.067, and 469.053, subdivision 6, and the per meeting payment provision of section 469.050, subdivision 5, do not apply to the Winona Port Authority.

**Subd. 3. City approval.** Action taken by the Winona port authority under section 469.058, 469.059, subdivision 4, or 469.061, must be approved by city council resolution to take effect.

**Subd. 4. 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. The money must be budgeted, used, and accounted for according to the charter and ordinances of the city.

**Subd. 5. Marginal property.** A port authority's decision that property it seeks is marginal under section 469.058 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. 6. Industrial development powers.** The port authority has the powers granted to port authorities by sections 469.152 to 469.165. 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. 7. 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. 8. 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 improve recreational land, buildings, and facilities within or outside their corporate limits.

**Subd. 9. Surplus funds.** 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. 10. Wisconsin real property.** The port authority may purchase or lease real property in Wisconsin for barge fleeting or for recreation activities or for both.

**Subd. 11. Transfer of city property to port.** 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. 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 469.058, supported by reference to one or more of the conditions listed in section 469.048, subdivision 5;
- (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.

A conveyance of fee title under this subdivision must be by quitclaim deed.

Laws 1987, c. 291, § 90.

#### Historical and Statutory Notes

##### Derivation:

St.1986, §§ 468.80, 458.801.  
Laws 1985, c. 265, art. 8, §§ 25, 26.  
Laws 1974, c. 218, §§ 1 to 3.

Laws 1973, c. 114, § 1.  
Laws 1969, c. 98, § 1.  
Laws 1967, c. 541, § 1.