

## CHAPTER 458A

### LOCAL TRANSIT COMMISSIONS

	ST. CLOUD		
458A.01	DEFINITIONS.	458A.21	CREATION.
458A.02	AREA; COMMISSION.	458A.22	DIRECTORS.
458A.03	COMMISSION; ORGANIZATION AND OPERATION.	458A.23	RULES; OFFICERS.
458A.04	INACTIVE.	458A.24	FINANCES.
458A.05	REVENUE BONDS.	458A.25	CONTRACTS; PROPERTY.
458A.06	SPECIAL PROVISIONS.	458A.26	ADMINISTRATION.
458A.07	LABOR PROVISIONS.	458A.27	EXECUTIVE DIRECTOR.
458A.08	COMMISSION; ANNUAL REPORTS.	458A.28	PUBLIC POWERS; APPEALS.
458A.09	EXEMPTION FROM TAXATION.	458A.29	EMPLOYEES.
458A.10	PROPERTY TAX.	458A.30	TAX EXEMPTION.
458A.11	WILL COMPLY IF LAW CREATES MULTIPURPOSE AGENCY.	458A.31	TAXES.
458A.12	ACT EXCLUSIVE.	458A.32	UP TO 40-YEAR REVENUE BONDS WITHOUT ELECTION.
458A.13	INACTIVE.	458A.33	GENERAL OBLIGATION BONDS.
458A.14	SEVERABILITY OF PROVISIONS.	458A.34	PROPERTY ACQUISITION.
458A.15	CITATION.	458A.35	BIDS.
		458A.36	CONFLICTING AUTHORITY.
		458A.37	CITATION.
	DULUTH		

### ST. CLOUD

#### 458A.01 DEFINITIONS.

Subdivision 1. **Application.** The definitions given in this section shall obtain for the purposes of sections 458A.01 to 458A.15 except as otherwise expressly provided or indicated by the context.

Subd. 2. **Transit commissioner, commissioner.** "Transit commissioner" or "commissioner" means a member of the commission.

Subd. 3. **Municipality, municipal corporation.** "Municipality" or "municipal corporation" means the municipalities comprising the transit area as defined in section 458A.02.

Subd. 4. **Person.** "Person" means any human being, any municipality or other public corporation or other public agency, any private corporation, any copartnership, joint stock company or other company, association or other organization, or any receiver, trustee, assignee, agent, or other legal representative of any of the foregoing, but does not include the commission.

Subd. 5. **Public transit.** "Public transit" means transportation of passengers for hire by means, without limitation, of a street railway, elevated railway, subway, underground railroad, motor vehicles, buses, or other means of conveyance operating as a common carrier on a regular route or routes, or any combination thereof; provided, however, that "public transit" shall not include a common carrier railroad or common carrier railroads.

Subd. 6. **Public transit system.** "Public transit system" means, without limitation, a

combination of property, structures, improvements, equipment, plants, parking or other facilities, and rights, or any thereof, used or useful for the purposes of public transit.

Subd. 7. **Mass transit system.** "Mass transit system" means a public transit system the primary function of which is to provide rapid public transit for large numbers of passengers.

Subd. 8. **Operator.** "Operator" means any person engaged or seeking to engage in the business of providing public transit, but does not include persons engaged primarily in the transportation of children to or from school, in operating taxicabs, in operating buses, limousines, or other means for the transportation of passengers between a common carrier terminal station and a hotel or motel, in operating a common carrier railroad or common carrier railroads, or a person furnishing transportation solely for the person's employees or customers.

**History:** 1969 c 1134 s 1; 1986 c 444

#### **458A.02 AREA; COMMISSION.**

Subdivision 1. **Creation; transit area; members.** There is hereby created a St. Cloud Metropolitan Transit Commission, hereinafter referred to as "the commission." The St. Cloud transit area is composed of the city of St. Cloud, the city of Waite Park, the city of Sauk Rapids, which together may hereinafter be referred to as "the transit area." Each of such cities, statutory cities, or townships are entitled to appoint, by resolution of the governing body of such municipality, one representative member to the commission, except that the city of St. Cloud shall appoint two members. Each representative member shall be entitled to one vote. Each representative member shall be a commissioner. The commission may, by agreement authorized by a majority of the members present at a meeting duly convened, include new municipalities in the transit area or, provided, that each new inclusion of a municipality shall entitle such municipality to one representative member on the commission.

Subd. 2. **Terms of transit commissioners.** The terms of the first transit commissioners shall expire on July 1 in the respective calendar years following 1969 as follows: one commissioner representing the city of St. Cloud in the first calendar year; one commissioner representing the city of Waite Park in the second calendar year; one commissioner representing the city of Sauk Rapids, and one commissioner representing the city of St. Cloud in the third calendar year. In the event that the membership of the commission is increased by the inclusion of additional municipalities as provided in subdivision 1, the initial terms of the new members shall be resolved by a rule of the commission. Succeeding terms of all commissioners shall be three years. Each member shall serve until a successor has been selected and has qualified unless tenure is terminated by resignation, removal, death, or otherwise as provided by law.

Subd. 3. **Vacancies.** Any vacancy in a commission membership, except a vacancy occurring by reason of the withdrawal of a municipality, shall be filled for the unexpired term in like manner as provided for selection of the regular incumbent. Any vacancy occurring by reason of the withdrawal of a municipality shall not be filled.

Subd. 4. **Commissioners; selection time limits.** The first commissioners shall be selected as hereinbefore provided within 60 days after July 1, 1969. A successor to each commissioner shall be so selected at any time within 60 days before the expiration of a term. A selection to fill a vacancy shall be made within 60 days after the occurrence of the vacancy.

Subd. 5. **Commissioners; certificates of selection; oath.** A certificate of the selection of every commissioner, stating the term for which selected, shall be made by the selecting

municipality or its presiding and recording officers, with approval appended by other authority, if required, and filed with the secretary of state. Counterparts thereof shall be furnished to the commissioner and the secretary of the commission.

Subd. 6. **Conflicts of interest.** No commissioner and no officer or employee of the commission having administrative or policy-making authority shall:

(a) have any private financial interest, directly or indirectly, in any contract, work, or business of the commission or any public transit system subject to regulation by the commission;

(b) be in the employ of or hold any stock, bond, investment, or other financial interest in or private business relationship to any operator of a public transit system in the transit area.

Any violation of the provisions of this subdivision shall be a gross misdemeanor, and upon conviction thereof the defendant shall be deemed to be automatically removed from the position upon or under the commission forthwith, and shall be disqualified from holding such position.

**History:** 1969 c 1134 s 2; 1973 c 123 art 5 s 7; 1986 c 444

#### **458A.03 COMMISSION; ORGANIZATION AND OPERATION.**

Subdivision 1. **Organization; officers; meetings; seal.** Within 90 days after July 1, 1969, or as soon as practicable after the selection and qualification of a majority of the first members of the commission, they shall meet to organize the commission at the call of a majority of the members, upon seven days' notice by certified mail to all those who have qualified, at a time and place within the area designated in the notice. A majority of the commissioners appointed shall constitute a quorum at that meeting and all other meetings of the commission. At that meeting the commission shall elect a chair from its membership, a vice-chair, a secretary, and a treasurer, which latter two officers shall serve at the pleasure of the commission, to serve until the regular monthly meeting of the commission to be held in the month of July next following or until their successors are elected and have qualified. At that regular monthly meeting and at the regular meeting held in the month of July in alternate years thereafter the commission shall elect successors to those officers to serve for two years or until their successors are elected and have qualified. The commission shall hold a regular meeting at least once in each month at a time and place within the area designated by the commission. Special meetings may be held as directed by the commission or at the call of the chair or any two commissioners upon at least seven days' notice by mail to all commissioners. All meetings of the commission shall be open to the public. Any authorized action may be taken by the commission upon the vote of a majority of those members present at any meeting lawfully convened. The commission may adopt a seal, which shall be officially and judicially noticed, to authenticate instruments executed by its authority, but omission of the seal shall not affect the validity of any instrument. The chair, vice-chair, treasurer, and secretary shall have the powers and duties usually incident to their respective offices and such others as may be prescribed for or delegated to them by the commission or as may be otherwise provided by law.

Subd. 2. **Rules.** The commission may prescribe and promulgate rules as it deems necessary or expedient in furtherance of the purposes of sections 458A.01 to 458A.15 upon like procedure and with like force and effect as provided for state agencies by chapter 14.

Subd. 3. **Commissioner of management and budget to be treasurer; fiscal year.** The commissioner of management and budget shall receive, hold, disburse, invest, and otherwise dispose of all moneys of the commission as provided by law. Except as otherwise expressly provided, the commissioner of management and budget shall disburse moneys of the commission

only as directed by the commission or by any of its officers thereto authorized by the commission. The fiscal year of the commission ending June 30, 1976 shall be extended to September 30, 1976. Thereafter the fiscal year of the commission shall be from October 1 to September 30.

**Subd. 4. Commissioners; per diem and expenses.** A commissioner shall receive no per diem for services except as hereinafter provided, but shall be reimbursed for actual and necessary expenses incurred in the performance of duties. Each commissioner shall be paid such sum as the commission by resolution may determine, by public hearing for each day or part thereof spent in attending meetings of the commission; provided, that no commissioner shall receive more than \$2,500 for such attendance during the first 12 months beginning with and following the organization meeting, nor more than \$1,600 in any one calendar year thereafter. The secretary and the treasurer shall receive such per diem as the commission may determine, which may be in addition to their per diem as a commissioner if they are such.

**Subd. 5. Executive director; other appointees.** The commission may appoint an executive director. The executive director shall not be under civil service, and the commission shall prescribe the terms of employment as to compensation, tenure, retirement, and other appropriate conditions, including, without limitation, any conditions applicable by law to public employees in the unclassified service so far as the commission shall so determine. The executive director shall be subject to removal by the commission at any time. The executive director, if appointed, shall be the chief administrative officer of the commission and shall have the powers and duties incident thereto and such others as the commission may prescribe in furtherance of the provisions of sections 458A.01 to 458A.15, including such powers of the commission as it may see fit to delegate except those expressly required by law to be exercised by the commission. The commission may appoint or employ such other regular officers and employees as it deems necessary in furtherance of the purposes of sections 458A.01 to 458A.15 and prescribe their terms of employment, powers, and duties, subject to applicable civil service laws and other laws relating to public employees except as otherwise expressly provided. In addition thereto the commission may engage by contract, upon such terms as it may see fit, attorneys, engineers, consultants, agents, and other professionally qualified persons for such special purposes as the commission deems necessary in furtherance of the purposes of sections 458A.01 to 458A.15, subject to removal at the pleasure of the commission.

**Subd. 6. Benefits.** The commission is a governmental subdivision as that term is used in section 353.01, subdivision 6, but this subdivision shall not reduce the obligations of the commission as set forth elsewhere in sections 458A.01 to 458A.15.

**Subd. 7. Bonds of officers and employees.** The commission may require bonds of any of its officers or employees conditioned as required by law for the bonds of public officers and with such further provisions as the commission may determine, with corporate surety for which the premiums shall be paid out of the funds of the commission.

**Subd. 8. Legal status; general powers.** The transit area, with the commission as its governing body, shall be a public corporation and a political subdivision of the state. All the powers vested and obligations or duties imposed upon the commission and acts of the commission by sections 458A.01 to 458A.15 shall be deemed to be those of the transit area wherever necessary or appropriate, and shall be exercised, performed, and discharged in behalf of the area by the commission in its name as a public corporation and with like force and effect as if done in the name of the area, and for all such purposes, the commission shall have the same status and powers as the area. The chair and secretary of the commission shall have such powers as are

delegated to them by the commission. The commission may sue and be sued and may enter into contracts which may be necessary or proper.

The commission may operate paratransit services, as defined in section 174.22, subdivision 6, and may exercise such other powers conferred upon it by sections 458A.01 to 458A.15, including the power to acquire property, as may be necessary and proper to operation of such services or the application for and receipt of such assistance.

Except as otherwise provided, the commission may, within the transit area, acquire by purchase, lease, gift, or condemnation proceedings any real or personal property, franchises, easements, or other rights which may be necessary or proper and may acquire real property in such manner for use as terminal facilities, maintenance and garage facilities, ramps, parking areas and other facilities useful for or related to any public transit system. The commission shall have power to acquire by purchase, lease, or gift all or any part of the plant, equipment, shares of stock, property, real, personal, or mixed, rights in property, reserve funds, special funds, franchises, licenses, patents, permits and papers, documents and records belonging to any operator of a public transit system within the area, and to lease property and to transfer or convey by sale or otherwise any property or rights to others, or to exchange the same for other property or rights which are useful for its purposes, and may in connection therewith assume any or all liabilities of any operator of a public transit system. The commission, without limitation, may acquire or construct and equip terminal facilities, maintenance and garage facilities, ramps, transit lanes or rights-of-way, parking areas and other facilities useful for or related to any public transit system and may hold, use, improve, operate, maintain, lease, sell, or otherwise dispose of any of its property to others and may contract with any operator or other person for the use by any such operator or person of any such property or facilities under its control. The commission shall not acquire any existing public transit system or any part thereof by condemnation. In the determination of the fair value of the existing public transit system, there shall not be included any value attributable to expenditures for improvements by the transit commission.

The commission may accept gifts, grants, or loans of money or other property from the United States, the state, or any person or entity for such purposes, may enter into any agreement required in connection therewith, may comply with any federal or state laws or regulations applicable thereto, and may hold, use, and dispose of such money or property in accordance with the terms of the gift, grant, loan, or agreement relating thereto. The commission may establish an executive committee, a finance committee, and such other committees of its members as it deems necessary or proper in furtherance of the provisions of sections 458A.01 to 458A.15, and may authorize them to exercise in the intervals between commission meetings any powers of the commission except those expressly required by law to be exercised by the commission.

**Subd. 8a. Nontransit area service contracts.** The commission may provide public transit service outside the transit area by contractual arrangement with individuals, corporations or units of government.

**Subd. 9. Management contracts.** Notwithstanding any of the other provisions of sections 458A.01 to 458A.15, the commission shall have powers, in lieu of directly operating any public transit system, or any part thereof, to enter into management contracts with any persons, firms, or corporations for the management of said system for such period or periods of time, and under such compensation and other terms and conditions as shall be deemed advisable and proper by the commission and such persons, firms, or corporations.

Such persons, firms, or corporations entering into management contracts with the commission may employ necessary personnel for the operation and maintenance of said system as well as perform consulting and supervisory services for the commission. An incentive fee may be included in any management contract that is negotiated. The employees of any public transit system operated pursuant to the provisions of this subdivision shall, in case of any dispute arising under any existing or new collective bargaining agreement relating to the terms or conditions of their employment, have the right, for the purpose of resolving such dispute, either to engage in a concerted refusal to work or to invoke the processes of final and binding arbitration as provided by chapter 572, subject to any applicable provisions of the agreement not inconsistent with law.

**History:** 1969 c 1134 s 3; 1971 c 546 s 1-4; 1976 c 288 s 2,3; 1978 c 674 s 60; 1978 c 761 s 1-3; 1979 c 50 s 57; 1982 c 424 s 130; 1985 c 248 s 70; 1986 c 444; 1987 c 384 art 2 s 93; 1995 c 233 art 2 s 56; 1997 c 187 art 5 s 32; 2003 c 112 art 2 s 50; 2009 c 101 art 2 s 109

**458A.04** [Repealed, 1975 c 32 s 3]

#### **458A.05 REVENUE BONDS.**

Subdivision 1. **Authority to issue; purposes.** The commission shall have authority to issue negotiable revenue bonds for any one or more of its powers and purposes, including the following: to construct and equip terminal facilities, maintenance and garage facilities, ramps, parking areas, or similar facilities used or useful in connection with a public transit system or part thereof; to acquire, improve, extend, or reconstruct any public transit system or any part thereof; to acquire any property or equipment useful for the construction, reconstruction, extension, improvement, or operation of any public transit system or any part thereof; to acquire any other real or personal property, franchises, easements, transit lanes, rights-of-way or other rights used or useful in connection with a public transit system or any part thereof; and to refund revenue bonds issued for any such purposes.

Subd. 2. **Resolution, terms, sales.** Revenue bonds under this section shall be issued in such amounts, times, and series as the commission by resolution shall determine and shall mature within 40 years from their date. No election shall be necessary to authorize the issuance of revenue bonds by the commission. Such revenue bonds may be sold at public or private sale or may be issued in exchange for bonds refunded thereby or property acquisitions or contract obligations funded thereby. Except as otherwise provided by this section, the maturities, any right of prior redemption, execution, paying agency, provision for interest and other terms of the bonds shall be subject to the provisions of sections 475.54 to 475.56.

Subd. 3. **Revenue bonds.** Revenue bonds issued under this section shall not constitute a debt of the state or of any municipal corporation or political subdivision and no ad valorem tax levy may be compelled for their payment except as provided in section 458A.10 where the wheelage tax is held invalid but they shall be payable only from the revenues of the commission pledged by the commission to payment of principal thereof and interest thereon, and they shall so recite. At or before the issuance of revenue bonds, the commission shall pledge and appropriate to the payment of principal and interest the gross or net revenues of the public transit system or some part thereof, and may pledge and appropriate other revenues of the commission, as described and defined in the authorizing resolution.

Subd. 4. **Covenants, trust indenture.** By the authorizing resolution, the commission may provide covenants for the protection of the bondholders relating to disposition of bond proceeds and revenues; reserves and investment thereof; construction, acquisition, repair, replacement,

operation and insurance of the public transit system facilities; accounting and reports; issuance of parity or subordinate lien bonds; rates and charges to be established or maintained; competing public transit systems; and such other covenants as the commission shall find to be usual and reasonably necessary for the protection of transit system revenue bondholders. Among other covenants, the commission is authorized to covenant on behalf of the state that the state will not limit or alter the power and obligation of the commission to establish, increase and collect pledged moneys sufficient to pay expenses of operation and maintenance and provide debt service on the bonds and to covenant on behalf of the state and each municipality or other political subdivision that no franchise, license, or permit shall be granted or renewed for any public transit system or part thereof which would compete with the public transit system or part thereof the revenues of which are pledged. The commission may also define the event or events of default and other requisites for suit by bondholders or their representatives, conditions of bond registration or replacement, and conditions upon which any covenant may be amended. Any terms, covenants, or conditions of revenue bonds to be provided by resolution of the commission may instead be set forth in a trust indenture with a corporation having trust powers appointed by the commission to represent and act for bondholders and to hold and disburse pledged moneys and to perform such other duties as may be provided in the trust indenture, but no such trust indenture shall confer or authorize any mortgage lien on the real or operating properties or general funds of the commission.

Subd. 5. **Legal investments.** Revenue bonds issued by the commission may be purchased by the State Board of Investment for any trust fund of the state or other fund administered by such board, and shall be proper for investment of any funds by any savings bank, trust company, insurance company or public or municipal corporation, and may be pledged by any bank or trust company as security for the deposit of public moneys.

Subd. 6. **Obligations of governmental agency.** Revenue bonds of the commission shall be deemed and treated as instrumentalities and obligations of a public government agency.

**History:** 1969 c 1134 s 5; 1983 c 213 s 15

#### **458A.06 SPECIAL PROVISIONS.**

Subdivision 1. **Condemnation.** The commission may exercise the power of eminent domain as provided by chapter 117 for the purpose of acquiring any land, waters, easements, or other rights or interests therein which it is herein authorized to acquire by condemnation. The fact that any such property is owned by or is in charge of a public agency or a public service corporation organized for a purpose specified in section 301B.01, or is already devoted to a public use or to use by such a corporation or was acquired therefor by condemnation shall not prevent its acquisition by the commission by condemnation; provided, that in the case of such property in actual public use or in actual use by such a corporation for any purpose of interest or benefit to the public, the taking thereof by the commission by condemnation shall not be authorized unless the court shall find and determine that there is greater public necessity for the proposed use by the commission than for the existing use thereof. Except in case of property in actual public use or in actual use by such a public service corporation for a purpose of interest or benefit to the public, the commission may take possession of any property for which condemnation proceedings have been commenced at any time after the filing of the petition describing the property in the proceedings.

Subd. 2. **Voluntary transfer.** Any state department or other agency of the state government or any county, municipality, or other public agency may sell, lease, grant, transfer, or convey to the commission, with or without consideration, any facilities or any part or parts thereof or any real or

personal property or interest therein which may be useful to the commission for any authorized purpose. In any case where the construction of any such facilities has not been completed, the public agency concerned may also transfer, sell, assign, and set over to the commission, with or without consideration, any existing contract for the construction of the facilities.

**Subd. 3. System changes.** Notwithstanding the provisions of any law or municipal charter or ordinance to the contrary, the commission, on its own motion or on petition of any operator, municipality, or other public agency, may investigate the need for changes in existing routes, schedules, and stops in effect in any public transit system now or hereafter operating in the transit area. In conducting such investigation, the commission shall consider recommendations as to the subject matter made by any affected municipality or other public agency, and shall give due consideration to street surfaces, traffic conditions, cost of operations, and the planning programs of such municipalities or agencies. In connection with any such investigation, the commission may hold hearings on any matter under consideration, affording all parties concerned an opportunity to appear and be heard thereat. If upon any such investigation or hearing the commission finds that there is no need for any change in existing conditions or operations, it shall make an order so determining and discontinuing the investigation. If the commission finds that there is need for any such change, it shall proceed as provided in subdivision 4.

**Subd. 4. Public Utilities Commission hearing on changes.** If the transit commission, upon investigation or hearing as provided in subdivision 3, finds that any change in routes, schedules, or stops will be in the public interest, the commission shall file a petition for the proposed change or changes with the secretary of the Public Utilities Commission and serve copies of it on the affected operator and the clerk, secretary, or other recording officer of each municipality and other public agency affected. Upon receiving the petition, the Public Utilities Commission shall set a hearing on it at the earliest convenient date. If any operator, municipality, or other public agency affected is opposed to the petition, it may, within 30 days after the filing and service of the petition, file with the secretary of the Public Utilities Commission an answer stating the grounds of opposition and serve a copy of it on the secretary of the transit commission. If no answers are filed and served within the 30-day period, the Public Utilities Commission shall, upon finding that the change proposed in the petition is in the public interest, order the change. If any answer opposing the petition is received by the Public Utilities Commission within the 30-day period, it shall hold a hearing and make a determination in the matter as provided by applicable laws and rules. An appeal from the action of the Public Utilities Commission in the matter may be taken in accordance with chapter 14.

**Subd. 5. Proceedings before public authorities.** The transit commission may petition the commissioner of transportation for changes in rates of operators of public transit systems serving the transit area. Upon receipt of such petition, the commissioner shall order a hearing and conduct further proceedings as provided by applicable laws and rules. The transit commission may appear in behalf of the public interest in any such proceedings or in any other proceeding before the Department of Transportation, federal agencies, the courts, or other public authorities involving any matter relating to public transit within or affecting the transit area.

**Subd. 6. Successor to Public Utilities Commission.** There shall be transferred to and vested in the transit commission all of the powers and functions of the Minnesota Public Utilities Commission with respect to any public transit system or part thereof which shall have been acquired or constructed by and is owned and operated by or under the authority of the transit commission. Whenever and so long as such public transit system or systems in the aggregate



serve in excess of 50 percent of the persons using public transit systems in the area as determined by the Public Utilities Commission, all of the powers and functions of the Public Utilities Commission over all public transit systems in the area shall be transferred to and vested in the transit commission. With respect to a public transit system or any part thereof over which the transit commission shall exercise the powers and functions of the Public Utilities Commission as hereinbefore provided the exercise of such powers and functions by the transit commission shall be exclusive and the Public Utilities Commission shall not have authority to exercise such powers and functions with respect thereto. An appeal from any order or decision of the transit commission may be taken by any party aggrieved thereby in like manner and with like effect as provided by law for appeals in corresponding cases from the orders or decisions of the Public Utilities Commission.

**Subd. 7. Relocation of displaced persons.** The commission may plan for and assist in the relocation of individuals, families, business concerns, nonprofit organizations, and others displaced by operations of the commission, and may make relocation payments in connection therewith in accordance with federal regulations.

**Subd. 8. Insurance.** The commission may provide for self insurance or may otherwise provide for the insurance of any of its property, rights, or revenue, workers' compensation, public liability, or any other risk or hazard arising from its activities, and may provide for insuring any of its officers or employees against any such risk or hazard at the expense of the commission.

**Subd. 9. Entry on premises for investigations.** The commission may enter in a reasonable manner upon any lands, waters, or premises for the purpose of making any reasonably necessary or proper surveys, soundings, drillings, and examinations. No such entry shall be deemed a trespass, except that the commission shall be liable for any actual and consequential loss, injury, or damage therefrom.

**Subd. 10. Inspection of books and papers.** The commission or its authorized agents may require the production of accounts, books, records, memoranda, correspondence, and other documents and papers of any operator relating to its public transit operations in the transit area, may inspect and copy any thereof at the operator's place of business, and shall have access to and may inspect any of the lands, buildings, facilities, or equipment of any such operator used for such operations.

**Subd. 11. Auditor of finances.** The commission shall employ a certified public accountant or firm thereof to make an annual audit of the commission's financial accounts and affairs, and copies of the report thereof shall be filed and kept open to public inspection in the offices of the secretary of the commission, the secretary of state, the county auditors of all counties and the clerks, secretaries, or other recording officers of all municipalities in the transit area.

**History:** 1969 c 1134 s 6; 1975 c 359 s 23; 1979 c 50 s 58,59; 1980 c 614 s 123; 1983 c 247 s 156; 1986 c 444; 1999 c 238 art 2 s 75; 2005 c 69 art 1 s 21; 2006 c 214 s 20

#### **458A.07 LABOR PROVISIONS.**

If the commission acquires an existing transit system, the commission shall assume and observe all existing labor contracts and pension obligations. All employees of such system except executive and administrative officers who are necessary for the operation thereof by the commission shall be transferred to and appointed as employees of the commission for the purposes of the transit system, subject to all the rights and benefits of sections 458A.01 to 458A.15. Such employees shall be given seniority credit and sick leave, vacation, insurance, and

pension credits in accordance with the records or labor agreements from the acquired transit system. The commission shall assume the obligations of any transit system acquired by it with regard to wages, salaries, hours, working conditions, sick leave, health and welfare and pension or retirement provisions for employees. The commission and the employees, through their representatives for collective bargaining purposes, shall take whatever action may be necessary to have pension trust funds presently under the joint control of the acquired transportation system and the participating employees through their representatives transferred to the trust fund to be established, maintained and administered jointly by the commission and the participating employees through their representatives. No employee of any acquired transportation system who is transferred to a position with the commission shall by reason of such transfer be placed in any worse position with respect to workers' compensation, pension, seniority, wages, sick leave, vacation, health and welfare insurance or any other benefits than the person enjoyed as an employee of such acquired transportation system.

**History:** 1969 c 1134 s 7; 1975 c 359 s 23; 1986 c 444

#### **458A.08 COMMISSION; ANNUAL REPORTS.**

The commission on or before November 30, 1969, and annually thereafter, shall prepare a report for the preceding fiscal year, also, so far as practicable, for the further time up to the preparation of the report, containing, in addition to such other matters as the commission may deem proper, the following:

- (a) the activities of the commission during the period covered by the report;
- (b) the financial condition of public transit systems under the control of the commission;
- (c) a complete financial accounting of moneys received and spent by the commission during the fiscal year;
- (d) recommendations for improvements of or additions to the mass transit facilities of the area to provide adequate, speedy, and efficient means of transporting people therein;
- (e) recommendations for any needed legislation in furtherance of the aforesaid purposes.

Each report shall be filed with the secretary of the commission and a copy shall be filed with the secretary of state. Copies shall be distributed annually to the governor, each county commission, and each elected chief executive of each municipality in the transit area.

**History:** 1969 c 1134 s 8; 1994 c 411 s 3; 1997 c 7 art 2 s 54

#### **458A.09 EXEMPTION FROM TAXATION.**

Notwithstanding any other provision of law to the contrary, the properties, moneys, and other assets of the commission, and all revenues or other income of the commission shall be exempt from all taxation, licenses, fees, or charges of any kind imposed by the state or by any county, municipality, political subdivision, taxing district, or other public agency or body of the state, except to the extent that the property is subject to the sales and use tax under chapter 297A.

**History:** 1969 c 1134 s 9; 1983 c 213 s 16; 2000 c 418 art 2 s 4

#### **458A.10 PROPERTY TAX.**

The commission shall annually levy a tax not to exceed 0.12089 percent of market value on all the taxable property in the transit area at a rate sufficient to produce an amount necessary for the purposes of sections 458A.01 to 458A.15, other than the payment of principal and interest due on any revenue bonds issued pursuant to section 458A.05. Property taxes levied under this

section shall be certified by the commission to the county auditors of the transit area, extended, assessed, and collected in the manner provided by law for the property taxes levied by the governing bodies of cities. The proceeds of the taxes levied under this section shall be remitted by the respective county treasurers to the treasurer of the commission, who shall credit the same to the funds of the commission for use for the purposes of sections 458A.01 to 458A.15 subject to any applicable pledges or limitations on account of tax anticipation certificates or other specific purposes. At any time after making a tax levy under this section and certifying it to the county auditors, the commission may issue general obligation certificates of indebtedness in anticipation of the collection of the taxes as provided by section 412.261.

**History:** 1969 c 1134 s 10; 1975 c 32 s 1; 1989 c 277 art 4 s 56

#### **458A.11 WILL COMPLY IF LAW CREATES MULTIPURPOSE AGENCY.**

The commission shall so plan and conduct its operations and projects that if the legislature subsequently enacts legislation creating a single multipurpose metropolitan public agency to handle a variety of problems affecting the transit area, and gives such agency powers and duties relating to public transit which are substantially the same as or greater than those given the commission by sections 458A.01 to 458A.15, with provisions which result in making the commission subject to such agency or merging the commission therein or transferring the powers and duties of the commission thereto or terminating the existence of the commission or otherwise disposing of its affairs, the commission will be prepared to comply therewith in accordance with the intent of the legislature.

**History:** 1969 c 1134 s 11

#### **458A.12 ACT EXCLUSIVE.**

The exercise by the commission of the powers provided in sections 458A.01 to 458A.15 shall not be subject to regulation by or the jurisdiction or control of any other public body or agency, either state, county, or municipal, except as specifically provided in sections 458A.01 to 458A.15, and further except that in the event a public body or agency shall be created to exercise the powers of the commission as provided in sections 458A.01 to 458A.15, such powers shall be exercised by such other public body or agency.

**History:** 1969 c 1134 s 12

#### **458A.13 [Expired]**

#### **458A.14 SEVERABILITY OF PROVISIONS.**

The provisions of sections 458A.01 to 458A.15 shall be severable, and if any provision thereof or the application of any such provision under any circumstances is held invalid, it shall not affect any other provision of sections 458A.01 to 458A.15 or the application of any provision thereof under different circumstances.

**History:** 1969 c 1134 s 13

#### **458A.15 CITATION.**

Sections 458A.01 to 458A.15 may be cited as the St. Cloud Metropolitan Transit Commission Act of 1969.

**History:** 1969 c 1134 s 14

## DULUTH

### 458A.21 CREATION.

There is hereby created a Duluth Transit Authority for the city of Duluth, hereinafter referred to as the authority, which shall consist of nine directors, who shall be appointed to membership on such authority, and who shall have and exercise the powers, perform the duties, and be subject to the obligations hereinafter set forth in sections 458A.21 to 458A.37. Each of the five council districts within the city shall be represented at all times on the authority, and the director representing such district shall be a resident thereof.

**History:** 1969 c 720 s 1; 1971 c 524 s 1; 1979 c 169 s 1

### 458A.22 DIRECTORS.

The directors shall serve without compensation, and may be reimbursed for authorized out of pocket expenses incurred in the fulfillment of their duties. Directors shall serve until their respective successors are appointed and qualified. Terms of directors shall be for three years and staggered so that three expire on June 30 of each year. Whenever a vacancy on such authority shall occur by reason of resignation, death, removal from the city or the council district, or removal for failure or neglect to perform duties of a director, such vacancy shall be filled for the unexpired term. All appointments and removals of directors of the authority shall be made by the mayor, with the approval of the city council, evidenced by resolution. Every appointee who shall fail within ten days after notification of appointment to file with the city clerk an oath or affirmation to perform faithfully, honestly, and impartially the duties of office, shall be deemed to have refused such appointment, and thereupon another person shall be appointed in the manner prescribed in this section.

The city of Superior, Wisconsin shall transmit the name of one person to the mayor and council of the city of Duluth, to be appointed by the city of Duluth to serve as one of the nine directors during any time the city of Superior agrees with the authority to provide transit service to Superior. The term and other conditions of service shall be the same as that of other directors except that the term shall end if the city of Superior ceases to contract for service. If the city of Superior does not transmit a name or the city of Duluth does not appoint the named person, the city of Duluth may appoint another person.

**History:** 1969 c 720 s 2; 1979 c 169 s 2; 1986 c 444

### 458A.23 RULES; OFFICERS.

Subdivision 1. **Rules.** Within 20 days after the members of the authority shall have qualified for office, the authority shall meet and organize, and adopt, and thereafter may amend such rules and regulations for the conduct of the authority as the authority shall deem to be in the public interest and most likely to advance, enhance, foster, and promote the establishment of a public transportation system for the Duluth area, as hereinafter provided for in sections 458A.21 to 458A.37. Such rules and regulations shall at all times be in harmony with sections 458A.21 to 458A.37.

Subd. 2. **Officers.** Such directors shall elect from among their members a president and a vice-president, and shall also elect a secretary, who may or may not be a member of said authority. No two of such offices may be held by one director. The officers shall have the duties and powers usually attendant upon such officers, and such other duties and powers not inconsistent herewith

as may be provided by the authority.

**History:** 1969 c 720 s 3

#### **458A.24 FINANCES.**

Subdivision 1. **Treasurer, budget; financial statement.** The city treasurer of the city of Duluth shall be the treasurer of the authority. The treasurer shall receive and have the custody of all moneys of the authority from whatever source derived, and the same shall be deemed public funds. The treasurer shall disburse such funds only in accordance with the annual budget of the authority as approved by the city council at the time the annual city budget is adopted and only upon written orders drawn against such funds, signed by the executive director, as hereinafter provided for in sections 458A.21 to 458A.37, or the president, or if absent, the vice-president of the authority; and each order shall state the name of the payee, and the nature of the claim for which the same is issued. The treasurer shall keep an account of all moneys, showing the source of all receipts, and the nature, purpose and authority of all disbursements; and at least three times each year, at the times and in the form to be determined by the directors, the authority shall file with the city clerk a financial statement of the authority, showing all receipts and disbursements, the nature of the same, the moneys on hand, and the purposes for which the same are applicable, the credits and assets of the authority, and its outstanding liabilities.

Subd. 2. **Authority controls money.** Within the total budget approved by the city council as provided in subdivision 1, the authority has the exclusive power to receive, control, and order the expenditure of any and all moneys and funds in the control and management of the Duluth bus transportation system, as hereinafter provided for in sections 458A.21 to 458A.37.

Subd. 3. **Separate funds, sources, use.** (a) Notwithstanding anything to the contrary contained in any law or in the charter of the city of Duluth or in any ordinance thereof, there is hereby created in the treasury of the city of Duluth a special municipal bus transportation fund, hereinafter referred to as the special fund; and a Duluth bus transportation operating fund, hereinafter referred to as the operating fund.

(b) The money in the special fund shall be used solely for the establishment or acquisition of a bus transportation system for the city of Duluth, and for the equipping of said system.

(c) Of the proceeds from the issuance and sale of the obligation bonds hereinafter provided for, the authority may use a sum not to exceed \$200,000 for initial operating expenses after acquisition of said system; and in addition, may use from the proceeds of said bond issue a sum sufficient to reimburse the general fund of the city for all costs or expenses that may have been incurred by the city in an effort to acquire a transit system prior to the actual acquisition of any such bus transit system.

(d) The special fund shall consist of:

(1) all money derived from the issuance and sale of bonds by authority of the city council to provide funds for the establishment or creation of a bus transportation system, and for the equipping thereof;

(2) all money appropriated or otherwise made available to the city of Duluth for the establishment or acquisition of a bus transportation system, and for the equipping thereof;

(3) all money received from the United States, through its department of transportation, or through any other department or agency thereof, received for the purpose of the establishment or acquisition of a bus transportation system, including but not limited to rolling stock and

other equipment, and also all moneys received in connection with the planning of said bus transportation system.

(e) The operating fund shall be used for operation, promotion, maintenance, or betterment of the bus transportation system provided for in sections 458A.21 to 458A.37, and for the expenses of the authority hereunder. The operating fund shall consist of all moneys of the authority from whatever source derived other than moneys credited to the special fund as hereinabove provided.

Subd. 4. **Annual audit.** At least once in each year the city auditor, under the direction of the city director of finance, shall make or cause to be made, at the expense of the authority, a complete examination and audit of all books and accounts of the authority; and for such purpose the city auditor shall have the power to inspect and examine such books and accounts at any time during regular business hours and at such intervals as the city auditor may determine. One copy of such yearly audit shall be filed by the city auditor with the city clerk as a public document.

Subd. 5. **Deposits.** Notwithstanding anything to the contrary contained in any law or in the charter of the city of Duluth or in any ordinance thereof, no restrictions shall apply to the deposit of any funds or the designation of a depository by the authority in any bank in which a member of the authority shall have an interest if such funds are deposited and protected in accordance with chapter 118A; provided, however, that any director having such an interest shall disclose the same, which disclosure shall be entered upon the minutes of the authority.

**History:** 1969 c 720 s 4; 1971 c 524 s 2; 1986 c 444

#### **458A.25 CONTRACTS; PROPERTY.**

Subdivision 1. **Bus transportation system defined.** Wherever the words "bus transportation system" are used in sections 458A.21 to 458A.37, such words shall mean and include any bus transportation system established or acquired under authority of sections 458A.21 to 458A.37, including any land, buildings or other appurtenances incidental and necessary to the operation of such bus transportation system.

Subd. 2. **Authority powers and duties.** Notwithstanding anything to the contrary contained in any law or in the charter of the city of Duluth, or in any ordinance thereof, there is hereby conferred upon such authority the following powers and duties:

(1) to sue and be sued;

(2) to enter into and execute agreements, instruments, and other arrangements which are necessary, proper and convenient to the exercise of its powers;

(3) to acquire by purchase, lease, or gift any real or personal property, franchises, easements, or other rights which may be necessary or proper for the operation of a bus transit system; and may acquire real property in such manner for use as terminal facilities, maintenance and garage facilities, ramps, parking facilities and other facilities used or useful for a bus transportation system; provided, however, that the acquisition of any real property by purchase, lease, or gift shall require the approval of the city council by resolution;

(4) to acquire by purchase, lease, or gift all or any part of the plant, equipment, property, real, personal, or mixed, rights and property, revenue, funds, special funds, franchises, licenses, patents, permits, papers, documents, and records after June 20, 1969, belonging to the operator of a bus transit system within the city of Duluth, and may in connection therewith assume any and all liabilities of any operator of such public transit system; all with the approval of the city council, evidenced by resolution;

(5) to acquire, construct, equip, improve, operate, and maintain terminal facilities, maintenance and garage facilities, ramps, transit lanes or rights-of-way, parking areas, rolling stock, and other facilities useful for or related to a public transportation system;

(6) to lease, sell, and otherwise dispose of any of its property, or to contract with any person or any operator, for use by such person or operator, any real or personal property under its control, with the approval of the city council, evidenced by resolution; provided, however, that the authority may lease or sell real and personal property that may be surplus to the continued operations of the transit system without approval of the council;

(7) to accept gifts, grants, or loans of money or other property from the United States, the state, or any person or entity; and for such purposes may enter into any agreement required in connection therewith, subject to approval of the city council, evidenced by resolution.

Subd. 3. **Management contracts.** Notwithstanding any of the provisions of sections 458A.21 to 458A.37, the authority shall have the power, in lieu of directly operating any public transportation system, or any part thereof, to enter into management contracts with any persons, firms or corporations for the management of said system, for such period or periods of time, and for such purposes, and under such compensation and other terms and conditions as shall be deemed advisable and proper by the authority and such persons, firms or corporations, subject to the approval, by resolution, of the city council.

**History:** 1969 c 720 s 5

#### **458A.26 ADMINISTRATION.**

The authority shall have the power:

(a) To adopt and alter all bylaws and rules and regulations which it shall from time to time deem best for the conduct of the business of the authority, and for the use and operation of the bus transportation system and the facilities of the authority, and for the purposes of carrying out the objects of sections 458A.21 to 458A.37; but such bylaws, rules and regulations shall not be in conflict with the terms of sections 458A.21 to 458A.37.

(b) To appoint and remove an executive director, and such other executive and administrative employees as the authority may deem necessary, including the appointment of consultants, except attorneys; and to prescribe the duties and fix the compensation of such executive director and other executive and administrative employees or consultants. Neither the executive director nor any executive or administrative employees of the authority shall be within the civil service classifications of the city of Duluth, whether such employees were employees of the system acquired, or were appointed by the authority after the system was acquired by the authority. The provisions of sections 197.455 through 197.46, shall not be applicable to any such employees of the authority under this section.

(c) To prescribe or provide for a policy or policies of insurance for the defense and indemnification of the city of Duluth, its officers and employees, and directors, executive director, and administrative employees of the authority, against claims arising against them out of the performance of duty, whether such claims be groundless, or otherwise. Premiums for any policies of insurance required by sections 458A.21 to 458A.37 shall be paid for out of the funds of the Duluth Transit Authority.

(d) To utilize the services and facilities of the Department of Management and Budget and the city treasurer of the city of Duluth in the implementation of sections 458A.21 to 458A.37; and to pay the city for all charges and costs for such services. The city attorney and the purchasing

agent shall be the attorney and the purchasing agent, respectively, for the authority; and the authority shall reimburse the city for all charges and costs incurred by the city therefor.

(e) To authorize and direct the city treasurer to invest, in the manner provided by law, any funds held in reserve, or sinking funds, or any funds not required for immediate disbursement.

(f) To establish and determine routes, and the scheduling of service, for the transportation system.

(g) To fix, alter, change, and collect fares, fees, rentals, and all other charges to be made for all services or facilities furnished by the authority to the public, or to any persons, or public or private agencies; provided, however, that no change in fares shall be made except upon public hearing before the city council, and approval by the city council, of any such change in fares.

**History:** 1969 c 720 s 6; 1995 c 186 s 119; 2009 c 101 art 2 s 109

#### **458A.27 EXECUTIVE DIRECTOR.**

The executive director of the authority shall be responsible for the custody and control of all moneys received and collected from the operations of the bus transportation system provided for in sections 458A.21 to 458A.37 until such moneys are delivered to the city treasurer and the executive director shall have obtained a receipt therefor, or until such moneys are deposited in a bank account under the control of the city treasurer, subject, however, to the right of the city council, by resolution, to enter into a management contract under terms and conditions different from those provided for in this section.

The executive director shall give bond in favor of the city of Duluth in a sum equal to twice the amount of money which the executive director will probably handle at any time during any one year, that amount to be determined annually by the authority; such bond to be conditioned upon the faithful discharge of the executive director's official duties, and approved as to form, correctness and validity by the city attorney, and filed with the city auditor. Premiums for such bonds shall be paid for out of the funds of the Duluth Transit Authority. In addition, the authority may require bonds in favor of the city of Duluth for any other of its employees, in such amount, and with such surety or sureties, as it may deem necessary and proper for the protection of the city. Premiums for any such bonds shall be paid for out of funds of the Duluth Transit Authority. The authority shall, in addition to other insurance provisions of sections 458A.21 to 458A.37, provide for insurance on any of its property, rights, revenue, workers' compensation, public liability, or any other risk or hazard arising from its activities; and the premiums for any such insurance shall be paid for out of funds of the Duluth Transit Authority.

**History:** 1969 c 720 s 7; 1986 c 444

#### **458A.28 PUBLIC POWERS; APPEALS.**

There shall be transferred to and vested in the authority and the city council all of the powers and functions of the Public Service Commission of the state of Minnesota with respect to any bus transportation system, or part thereof, which shall have been constructed or acquired by and is owned by the city of Duluth and operated under the direction of the Duluth Transit Authority provided for in sections 458A.21 to 458A.37; and with respect to any such bus transportation system so constructed, acquired and owned by the city and operated by said authority, the exercise of such powers and functions by the authority and the city council shall be exclusive, and the Public Service Commission shall not have authority to exercise such powers and functions with respect thereto.



An appeal from any order or decision of the authority and the city council may be taken by any party aggrieved thereby in like manner and with like effect as provided by law for appeals in corresponding cases from orders or decisions of the Public Service Commission.

**History:** 1969 c 720 s 8

#### **458A.29 EMPLOYEES.**

If the authority, on behalf of the city of Duluth, acquires an existing bus transportation system, all employees of such system who are necessary for the operation thereof by the authority may be transferred to and appointed as employees of the authority for the purposes of such bus transportation system, subject to all the rights and benefits of sections 458A.21 to 458A.37. Employees of the authority shall not be within the civil service classifications of the city of Duluth.

The employees of the authority, except executive or administrative employees appointed pursuant to the provisions of sections 458A.21 to 458A.37, shall in case of any dispute arising under any existing or new collective bargaining agreement relating to the terms and conditions of their employment, have the right, for the purpose of resolving such disputes, to invoke the processes of final and binding arbitration as provided by chapter 572, subject to any applicable provisions of the agreement not inconsistent with law.

**History:** 1969 c 720 s 9

#### **458A.30 TAX EXEMPTION.**

Notwithstanding any other provisions of law to the contrary, the property, moneys, and other assets of the authority, or revenues or other income of the authority, and all bonds, certificates of indebtedness, or other obligations issued by the authority, with the approval of the city council, and the interest thereon, shall be exempt from all taxation, licenses, fees, or charges of any kind imposed by the state of Minnesota, or by any county, municipality, political subdivision, taxing district, or other public agency or body of the state, including but not limited to the excise tax on gasoline or special fuel under chapter 296A, except to the extent that the property is subject to the sales and use tax under chapter 297A.

**History:** 1969 c 720 s 10; 1998 c 299 s 30; 2000 c 418 art 2 s 5

#### **458A.31 TAXES.**

Subdivision 1. **Levy limit.** Notwithstanding anything to the contrary contained in the charter of the city of Duluth, any ordinance thereof, or any statute applicable thereto, limiting the amount levied in any one year for general or special purposes, the city council of the city of Duluth shall each year levy a tax in an amount not to exceed 0.07253 percent of taxable market value, by ordinance. An ordinance fixing the levy shall take effect immediately upon its passage and approval. The proceeds of the levy shall be paid into the city treasury and deposited in the operating fund provided for in section 458A.24, subdivision 3.

Subd. 2. **For bus system, authority.** All moneys received by the city from the excess tax levy hereinabove provided for shall be used for the operation, promotion, maintenance or betterment of the bus transportation system; and for the expenses of the authority provided for herein.

Subd. 3. **Debt.** The authority, if authorized by an affirmative vote of at least five of its members, and approval by the city council, may borrow money on such terms as it deems proper, and may issue certificates of indebtedness for anticipation of the collection of the excess tax levy

as hereinabove provided for upon like procedure and subject to like provisions and limitations as provided by section 412.261, and acts amendatory thereof or supplementary thereto.

**History:** 1969 c 720 s 11; 1979 c 169 s 3; 1981 c 363 s 57; 1989 c 277 art 4 s 57

#### **458A.32 UP TO 40-YEAR REVENUE BONDS WITHOUT ELECTION.**

Subdivision 1. **City council must approve.** Notwithstanding any limitations imposed by law or by the charter of the city of Duluth, the authority shall have the power to issue negotiable revenue bonds for any one or more of its purposes. Revenue bonds under this section shall be issued in such amounts, times, and series as the authority shall determine by resolution, upon approval and ratification of the city council of the city of Duluth, evidenced by resolution; and shall mature within 40 years from their date. No election shall be necessary to authorize the issuance of revenue bonds as herein provided for. Except as otherwise provided by this section, the maturities, any right of prior redemption, execution, paying agency, provision for interest, and other terms of the bonds, shall be subject to the provisions of sections 475.54 to 475.56.

Subd. 2. **Not city debt.** Revenue bonds issued under this section shall not constitute a debt of the city of Duluth, and no tax levy may be compelled for their payment, but they shall be payable only from the revenues of the transit system or part thereof pledged by the authority and the city council to payment of principal thereof and interest thereon; and they shall so recite. At or before the issuance of revenue bonds, the authority, by resolution, and upon approval and ratification by the city council, shall pledge and appropriate to the payment of principal and interest the net revenues of the transit system, or some part thereof, not to include the proceeds of any tax levy, after provision for reasonable and necessary expenses of operation and maintenance, as described and defined in the authorizing resolution.

Subd. 3. **Covenants.** By the authorizing resolution, the authority may provide covenants for the protection of the bondholders relating to disposition of bond proceeds and revenues; reserves and investment thereof; construction, acquisition, repair, replacement, operation and insurance of the public transit system facilities; accounting and reports; issuance of parity or subordinate lien bonds; rates and charges to be established or maintained; competing public transit systems; and such other covenants as the authority shall find to be usual and reasonably necessary for the protection of transit revenue bondholders. Among other covenants, the authority is authorized to covenant on behalf of the city of Duluth that no franchise, license, or permit shall be granted for any public transit system or part thereof which would compete with the public transit system or part thereof, the revenues of which are pledged. The authority may also define the event or events of default and other requisites for suit by bondholders or their representatives, conditions of bond registration or replacement, and conditions upon which any covenant may be amended. Any terms, covenants, or conditions of revenue bonds to be provided by resolution of the authority may be set forth in a trust indenture with a corporation having trust powers appointed by the authority, with the approval of the city council, to represent and act for bondholders, and to hold and disburse pledged revenues, and to perform such other duties as may be provided in the trust indenture; but no such trust indenture shall confer or authorize any mortgage lien on the real or operating properties or general funds of the authority.

Subd. 4. **Bonds are public instrumentalities.** Revenue bonds of the authority shall be deemed and treated as instrumentalities of a public government agency.

**History:** 1969 c 720 s 12; 1996 c 471 art 1 s 12

**458A.33 GENERAL OBLIGATION BONDS.**

Subdivision 1. **Purposes.** In addition to the powers contained in section 458A.32, the city upon request of the authority shall have the power to issue general obligation bonds for any of the following purposes:

(1) to purchase, construct, or equip terminal facilities, maintenance and garage facilities, ramps, parking areas, or similar facilities used or useful in connection with a public transit system or part thereof;

(2) to acquire, improve, extend, or reconstruct any public transit system presently operated in the city of Duluth, or any part thereof;

(3) to acquire any property or equipment useful for the construction, reconstruction, extension, improvement, or operation of any public transit system presently operated in the city of Duluth, or any part thereof;

(4) to construct and improve a new public transit system for the city of Duluth other than a presently existing transit system, and in connection therewith may exercise all the powers provided for in this section.

Subd. 2. **Up to \$1,400,000.** Obligation bonds under this section shall be issued in such amounts, but in no event to exceed the sum of \$1,400,000, at such times and in such series as the authority shall determine by resolution, subject to approval and ratification by the city council of the city of Duluth, evidenced by ordinance. Except as otherwise provided by this section, the maturities, any right of prior redemption, execution, paying agency, provision for interest, or other terms of the bonds, shall be subject to the provisions of sections 475.54 to 475.56.

Subd. 3. **City debt.** General obligation bonds issued under this section shall constitute a debt of the city of Duluth for which the full faith and credit of the city shall be pledged; and a tax levy shall be compelled for their payment in the manner required by chapter 475; and they shall so recite.

**History:** 1969 c 720 s 13

**458A.34 PROPERTY ACQUISITION.**

Subdivision 1. **Eminent domain by city.** In the event that it shall become necessary for any of the purposes enumerated in sections 458A.21 to 458A.37 to exercise the power of eminent domain, such power shall not be exercised by the authority, but the city of Duluth may acquire any of the properties hereinbefore provided for in sections 458A.21 to 458A.37 necessary for the conduct of a bus transportation system, or for the purpose of acquiring any land, waters, easements, or other rights or interests therein by the exercise of the power of eminent domain, either as provided for under the home rule charter of the city of Duluth, or under chapter 117, and acts amendatory thereof or supplementary thereto. Any such exercise of the power of eminent domain by the city shall be at the request and expense of the authority. The fact that any such property is owned by a public service corporation organized for the purpose specified in section 301B.01, or is already devoted to a public use, or to use by a corporation, or was acquired therefor by condemnation, shall not prevent its acquisition by the city for the authority by condemnation. The city, on behalf of the authority, may take possession of any property for which condemnation proceedings have been commenced at any time after the filing of the petition describing the property in the proceedings.

Subd. 2. **Facilities from public body.** Any state department or other agency of the state

government, or any county, municipality, or other public agency, may sell, lease, grant, transfer, or convey to the authority, upon approval of the city council, evidenced by resolution, with or without consideration, any facilities or any part or parts thereof, or any real or personal property or interest therein, which may be useful to the authority for any authorized purpose.

**History:** *1969 c 720 s 14; 2005 c 69 art 1 s 21*

#### **458A.35 BIDS.**

The authority shall regulate the making of bids and letting of contracts through procedures established by the authority, in which case the authority would be substituted for the city council insofar as the conditions as set forth in section 31 of the home rule charter of the city of Duluth are concerned.

**History:** *1969 c 720 s 15*

#### **458A.36 CONFLICTING AUTHORITY.**

The exercise by the authority and the city council of the powers provided in sections 458A.21 to 458A.37 shall not be subject to regulation by or the jurisdiction or control of any other public body or agency, either state, county, or municipal, except as specifically provided in sections 458A.21 to 458A.37.

**History:** *1969 c 720 s 16*

#### **458A.37 CITATION.**

Sections 458A.21 to 458A.37 may be cited as the Duluth Transit Authority Act of 1969.

**History:** *1969 c 720 s 17*