

HOUSE RESEARCH

Bill Summary

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Subject: Koochiching port authority; foreign trade zones

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Overview

This bill would allow the county board of Koochiching county to create a port authority which would have the same powers and duties given to the various city port authorities already created and authorized in statute. This bill would also allow all political subdivisions of the state to apply for foreign trade zone status.

Background: Port authorities are intended to promote the welfare of a port district; increase the volume of a port's commerce; promote safe, efficient, and economical handling of a port's commerce; and provide dock, railroad, and terminal facilities in a port. Currently, 25 cities in the state are authorized to establish port authorities or to exercise the powers of a port authority. No counties have such authority.

By general law, a city must levy a tax, not to exceed 0.01813 percent of taxable market value, for the benefit of its port authority and may levy an additional tax at the request of the port authority, not to exceed 0.00282 percent of taxable market value, at the city's discretion.

Section

- 1 Koochiching county; port authority.** Grants the governing board of Koochiching county the authority to establish a port authority having the powers granted to a city port authority in statute, with the county board exercising the powers of a city council.
- 2 Foreign trade zones.** Allows a city, county, town, or other political subdivision to apply to exercise foreign trade zone powers under federal law. Current statute allows either a port authority or an economic development authority to apply to exercise foreign trade zone

powers.

3 **Effective date.** Effective the day following final enactment.