

HOUSE BILL REPORT

HB 2231

As Reported By House Committee On:
Local Government

Title: An act relating to industrial development levies.

Brief Description: Authorizing an additional six-year industrial development levy.

Sponsors: Representatives Springer, Basich, Kessler, H. Myers, Quall, King and Sheldon.

Brief History:

Reported by House Committee on:
Local Government, January 25, 1994, DPS.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives H. Myers, Chair; Springer, Vice Chair; Edmondson, Ranking Minority Member; Dunshee; R. Fisher; Horn; Moak; and Rayburn.

Minority Report: Do not pass. Signed by 2 members: Representatives Reams, Assistant Ranking Minority Member; and Van Luven.

Staff: Steve Lundin (786-7127).

Background: Property tax levies imposed by port districts are excess levies beyond the constitutional one percent limitation on the cumulative rates of regular property taxes that may be imposed in any year.

Port districts have been authorized to impose, among others, the following property tax levies:

- o annual levies of up to 45 cents per \$1000 of assessed valuation, which may be imposed without voter approval for general port purposes;
- o annual levies of up to 45 cents per \$1000 of assessed valuation, which may be imposed without voter approval for each of 12 years for the industrial development of marginal lands located within industrial development districts created by the port district.

The first levy of the industrial development levy by a port district after April 1, 1982 is not subject to the 106 percent limitation even though voters do not authorize this levy. This is a one-time exemption from the 106 percent limitation.

If a port district has already imposed the levy for industrial development of marginal lands for six years, the port must publish a notice in a newspaper of general circulation in its boundaries that it intends to continue imposing this levy or begin reimposing these levies for the second set of six years. The notice must be published on or before June 1 of the year in which the port district intends to start imposing or reimposing these levies.

A ballot proposition will be submitted to voters authorizing these levies if a petition calling for such an election is filed with the county auditor within 90 days of the date the notice is published. The petition must be signed by voters in the port district equal in number to at least 8 percent of those in the district who voted for the office of governor at the last election that office was filled. If the ballot proposition is submitted to voters, the port may impose these levies only if the voters authorize them by a simple majority vote.

Summary of Substitute Bill: The number of years that port districts are authorized to impose their additional property tax levies of 45 per \$1000 of assessed valuation for industrial development of marginal lands in industrial development districts is increased from 12 years to 18 years.

If a port district has already imposed this levy for 12 years, the port must publish a notice in a newspaper of general circulation within its boundaries that it intends to continue imposing these levies or begin reimposing these levies. In addition, a port district must provide written notice to every newspaper in general circulation within its boundaries, as well as local radio and television stations, of its intention to begin imposing these levies after the 6th year or 12th year of imposing these levies.

A ballot proposition will be submitted to voters authorizing these levies for the 13th through 18th years if a petition calling for such an election is filed with the county auditor within 90 days of the date the notice is published. The conditions on the petition and ballot proposition are the same for the third set of 6 year levies as for the second set of 6 year levies.

Substitute Bill Compared to Original Bill: Technical changes clarifying the additional six years and potential petition. Requirements are added for additional notice to the media of an intent to impose the levies.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: The Corps of Engineer is insisting that a Port of Grays Harbor development project be stopped unless more money is secured. This extension would provide the additional tax funds.

Testimony Against: None.

Witnesses: Jim Neva, Port of Willapa Harbor, Lew Holcomb, Port of Grays Harbor; Leonard Barnes, Port of Grays Harbor; and Patrick Jones, Washington Public Ports Association.