

# HOUSE BILL REPORT

## SHB 2599

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### As Amended by the Senate

**Title:** An act relating to creating an education and training program for port district officials.

**Brief Description:** Creating a training program for port district officials.

**Sponsors:** By House Committee on Local Government (originally sponsored by Representatives Doumit, Mulliken, Scott, Fisher and Alexander).

### Brief History:

#### Committee Activity:

Local Government: 1/27/00, 2/2/00 [DPS].

#### Floor Activity:

Passed House: 2/11/00, 96-0.

Senate Amended.

Passed Senate: 2/29/00, 47-0.

### Brief Summary of Substitute Bill

- Authorizes port districts to provide training and education programs through a nonprofit corporation that will assist port district officials and employees to facilitate implementation of the port's economic development programs.
- Allows transfer of funds from a port's industrial development corporation for training and education programs, and provides for audit of any nonprofit corporations created for this purpose.

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### HOUSE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Mulliken, Republican Co-Chair; Scott, Democratic Co-Chair; Doumit, Democratic Vice Chair; Mielke, Republican Vice Chair; Edwards; Ericksen and Fortunato.

**Staff:** Scott MacColl (786-7106).

**Background:**

The Washington Public Ports Association (WPPA) is created under Chapter 53.06 RCW to be the coordinating agency through which the port district commissions throughout the state are empowered to perform certain duties. Those duties include, among others, studies for development of business, establishing joint marketing bodies, to exchange information germane to ports around the state, to encourage port economic development, and to act as the liaison between the ports and the state.

Port districts that choose to be a part of WPPA are authorized to pay dues and/or assessments from public port district funds not exceeding a specified sum.

A municipality may, by ordinance, create a public corporation for the purpose of facilitating economic development and employment opportunities through the financing of project costs of industrial development facilities. No municipality may give or lend any money or property in aid of a public corporation. No public corporation may issue revenue obligation bonds except under the approval of the municipality under which it was created, and the city or county within whose planning jurisdiction the proposed industrial development facility lies.

Municipality is defined for the purposes of this chapter to mean a city, town, county, or port district.

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**Summary of Bill:**

The WPPA is authorized to establish a 501(c)(3) non-profit organization for the purpose of providing scholarships to port district staff for training, education and general improvement of port district public sector management skills. Any non-profit that is created through the WPPA is deemed to be a private, non-profit corporation contracting with the ports to provide services. The non-profit organization is expressly required to be audited by the state auditor to ensure compliance with the terms of the contract under which payments or reimbursements of public funds are received.

The non-profit is authorized to receive and solicit private individual contributions to the scholarship fund. The scholarships are awarded on an annual basis, based on the need and potential impact improved staff performance would have on their communities.

Port districts are authorized to contribute monies to the non-profit corporation through their industrial development corporations, which was generated through the issuance of industrial development bonds.

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**EFFECT OF SENATE AMENDMENT(S):** Requirements for the State Auditor to audit the Washington Public Ports and any non-profit created by this act are clarified to separate audit requirements between the WPPA and its non-profit.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** (Original bill) This is a good idea for small ports, and will give them the opportunity to keep current on issues by extending educational training benefits. The bill would create a funding mechanism for port staff to attend training that build skills and management capabilities for small port districts. Small districts are unable to pay for training that large ports can afford, however the small ports arguably need the experience more.

The Port of Centralia is a small port district that only has a small industrial development corporation with three employees. However, they must perform as any other port district in the state without being as well equipped as other areas. This fund would offer the port the opportunity to receive training.

The fund is generated by private companies buying into the industrial development corporation, as the port commission can apply funds to whatever the commission sees fit. The money comes from proceeds of bond issues, which then go into an administrative account. These funds may sometimes sit with money in them, between \$5,000 and \$10,000. The scholarship fund is looking for \$100,000 in first year, then would take the interest income and apply it to the scholarship fund. The scholarship would only pay the tuition of training, not any travel or other expenses. The WPPA will solicit each port commission individually to contribute.

**Testimony Against:** None.

**Testified:** Representative Mark Doumit, prime sponsor; Pat Jones, Executive Director of the Washington Public Ports Association; and Wendy Rader, Centralia Port District.