

HOUSE BILL REPORT

HB 2765

As Passed Legislature

Title: An act relating to port district revenue bonds.

Brief Description: Authorizing delegation of authority regarding revenue bonds for port districts.

Sponsors: Representatives McIntire, Mulliken, Wensman, Fisher, Ogden and Edwards.

Brief History:

Committee Activity:

Local Government: 2/2/00 [DP].

Floor Activity:

Passed House: 2/9/00, 91-6.

Passed Senate: 2/29/00, 42-3.

Passed Legislature.

Brief Summary of Bill
<ul style="list-style-type: none">· Authorizes port district commissions to delegate (by resolution) to the port's chief executive officer the commission's authority to approve interest rates, maturity dates, redemption rights, interest payment dates, and principal maturities for port district bonds.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: 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 commission of a port district determines the form, conditions, and denominations of all bonds, the maturity date of the bond, and the interest rate such bonds issued by the port district. Principal and interest of the bonds is payable as determined by the

port commission. The bonds may contain provisions for registration as to principal only or as to both principal and interest. The port commission determines the interest and amounts payable for the bonds. The commission may also provide for retirement of bonds issued at any time prior to their maturity, by resolution of the port commission.

Summary of Bill:

Authority is granted to the port commission to delegate authority to the chief executive officer for approval of the interest rate or rates, maturity date or dates, redemption rights, interest payment dates, and principal maturities based on terms and conditions approved under a resolution by the port commission.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: This bill allows port commissioners to give final authority for bond rates to the executive director. Under current law, the whole commission must vote on the interest rate, while this may cost the port commission money if they have to wait to lock in on interest rates with the bond market fluctuating daily. This will help the ports be more flexible, and the bond council has advised that this change is necessary. This will make it speedier to allow the executive director to lock in rates for the bonds, at the discretion of the port commission, and under constraints of the port commission. The ports are simply trying to get in line with other governments' authority, and this takes no power away from the commission.

Testimony Against: None.

Testified: Representative McIntire, prime sponsor; Terry Finn, Port of Seattle; Greg Sundberg, Piper Jaffery; and Dan Thomas, Director of Finance and Budget, Port of Seattle.