

SENATE BILL REPORT

SB 5339

As Reported By Senate Committee On:
Economic Development, Trade & Management, February 16, 2007

Title: An act relating to authorizing the acquisition and operation of tourism-related facilities by port districts.

Brief Description: Authorizing the acquisition and operation of tourism-related facilities by port districts.

Sponsors: Senators Kilmer, Kastama, Rockefeller and Rasmussen.

Brief History:

Committee Activity: Economic Development, Trade & Management: 2/2/07, 2/16/07 [DPS].

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & MANAGEMENT

Majority Report: That Substitute Senate Bill No. 5339 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kastama, Chair; Kilmer, Vice Chair; Zarelli, Ranking Minority Member; Clements, Kauffman and Shin.

Staff: Jacob White (786-7448)

Background: Port districts may expend monies and conduct promotion of resources and facilities in the district or general area by advertising, publicizing, or otherwise distributing information to attract visitors and encourage tourist expansion.

Ports may: acquire land, property, leases, and easements; condemn property and exercise the power of eminent domain; develop lands for industrial and commercial purposes; impose taxes; and construct and maintain specified types of park and recreation facilities.

Summary of Bill: A port district has the authority to acquire and operate tourism related facilities either individually or in conjunction with a municipality or a person.

A port district may exercise specified powers granted to a municipality. These specified powers include the power: to acquire and operate tourism-related facilities; to convey or lease any lands, properties, or facilities; to lease all or part of facilities; and powers additional and supplemental to other laws.

A port district does not have the authority to levy any lodging taxes related to its tourism activities.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

EFFECT OF CHANGES MADE BY RECOMMENDED SUBSTITUTE AS PASSED COMMITTEE (Economic Development, Trade & Management): The substitute bill clarifies that prevailing wage law will not be expanded by this bill. A port district and any municipality or other entity engaged in a joint venture or project with a port district must follow prevailing wage laws. Port districts' right of eminent domain is not expanded through this act. A port does not have the authority to levy a lodging or special excise tax.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: Tourism is one of the premiere growth sectors in the state. Under current law, it is unclear whether ports have the right to engage in acquisition of port facilities and to promote tourism. This bill clears up an area that is currently grey. This bill is necessary for the smaller ports in Washington to redevelop their port areas. Ports throughout the state are in support of this bill.

OTHER: It is important that prevailing wages be paid for the port projects that would occur as a result of this bill. The room tax needs to be excluded from the powers granted to a port.

Persons Testifying: PRO: Gordon Walgren, Port of Bremerton; Ken Attery, Bill Mahan, Port of Bremerton; Pat Jones, Washington Public Ports Association.

OTHER: Becky Bogard, Washington Association of Convention Visitors Bureau; Kirk Deal, Paul O'Brien, Pile Drivers Union.