
HOUSE BILL 3155

State of Washington 60th Legislature 2008 Regular Session

By Representatives Upthegrove and Hudgins

Read first time 01/23/08. Referred to Committee on Local Government.

1 AN ACT Relating to levies for port districts in large counties
2 located on Puget Sound; amending RCW 53.36.020, 53.36.030, and
3 90.71.400; reenacting and amending RCW 84.55.092; adding a new section
4 to chapter 53.36 RCW; and adding a new section to chapter 90.71 RCW.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 53.36.020 and 1973 1st ex.s. c 195 s 56 are each
7 amended to read as follows:

8 (1) Except as otherwise provided in this section, a district may
9 raise revenue by levy of an annual tax not to exceed forty-five cents
10 per thousand dollars of assessed value against the assessed valuation
11 of the taxable property in such port district for general port
12 purposes, including the establishment of a capital improvement fund for
13 future capital improvements, except that any levy for the payment of
14 the principal and interest of the general bonded indebtedness of the
15 port district shall be in excess of any levy made by the port district
16 under the forty-five cents per thousand dollars of assessed value
17 limitation. The levy shall be made and taxes collected in the manner
18 provided for the levy and collection of taxes in school districts of
19 the first class.

1 (2) The following provisions apply only to a county bordering Puget
2 Sound with a population of greater than one million five hundred
3 thousand citizens:

4 (a) All general purpose taxes levied for collection in 2009 and
5 thereafter and not dedicated to debt service shall be transferred to
6 the state treasurer for deposit into the Puget Sound recovery local
7 account created in RCW 90.71.400.

8 (b) An additional amount of tax may not be levied under this
9 section after the effective date of this section for the payment of
10 bonds or other indebtedness of the district.

11 (c) For taxes levied for collection in 2009 and thereafter, the
12 general purpose levy under subsection (1) of this section may not
13 exceed five cents per thousand dollars of assessed value against the
14 assessed valuation of the taxable property. However, the levy rate may
15 be increased in an amount equivalent to any reduction in the levy rate
16 of a levy used to pay bonds or other indebtedness of the district.

17 **Sec. 2.** RCW 84.55.092 and 1998 c 16 s 3 are each reenacted and
18 amended to read as follows:

19 (1) The regular property tax levy for each taxing district other
20 than the state may be set at the amount which would be allowed
21 otherwise under this chapter if the regular property tax levy for the
22 district for taxes due in prior years beginning with 1986 had been set
23 at the full amount allowed under this chapter including any levy
24 authorized under RCW 52.16.160 that would have been imposed but for the
25 limitation in RCW 52.18.065, applicable upon imposition of the benefit
26 charge under chapter 52.18 RCW.

27 (2) A port district located in a county bordering Puget Sound with
28 a population of greater than one million five hundred thousand citizens
29 may not use banked levy capacity to pay or secure bonds or other
30 indebtedness of the district.

31 (3) The purpose of this section is to remove the incentive for a
32 taxing district to maintain its tax levy at the maximum level permitted
33 under this chapter, and to protect the future levy capacity of a taxing
34 district that reduces its tax levy below the level that it otherwise
35 could impose under this chapter, by removing the adverse consequences
36 to future levy capacities resulting from such levy reductions.

1 NEW SECTION. **Sec. 3.** A new section is added to chapter 53.36 RCW
2 to read as follows:

3 A port district located in a county bordering Puget Sound with a
4 population of greater than one million five hundred thousand citizens
5 may not, after the effective date of this act, contract indebtedness or
6 borrow money for port district purposes, or issue general obligation
7 bonds for port district purposes, to be paid for with a levy for
8 general port purposes under RCW 53.36.020.

9 **Sec. 4.** RCW 53.36.030 and 1996 c 66 s 1 are each amended to read
10 as follows:

11 (1)(a) Except as provided in (b) of this subsection and section 3
12 of this act, a port district may at any time contract indebtedness or
13 borrow money for district purposes and may issue general obligation
14 bonds therefor not exceeding an amount, together with any existing
15 indebtedness of the district not authorized by the voters, of one-
16 fourth of one percent of the value of the taxable property in the
17 district.

18 (b) Port districts having less than eight hundred million dollars
19 in value of taxable property during 1991 may at any time contract
20 indebtedness or borrow money for port district purposes and may issue
21 general obligation bonds therefor not exceeding an amount, combined
22 with existing indebtedness of the district not authorized by the
23 voters, of three-eighths of one percent of the value of the taxable
24 property in the district. Prior to contracting for any indebtedness
25 authorized by this subsection (1)(b), the port district must have a
26 comprehensive plan for harbor improvements or industrial development
27 and a long-term financial plan approved by the department of community,
28 trade, and economic development. The department of community, trade,
29 and economic development is immune from any liability for its part in
30 reviewing or approving port district's improvement or development
31 plans, or financial plans. Any indebtedness authorized by this
32 subsection (1)(b) may be used only to acquire or construct a facility,
33 and, prior to contracting for such indebtedness, the port district must
34 have a lease contract for a minimum of five years for the facility to
35 be acquired or constructed by the debt.

36 (2) Except as provided in section 3 of this act, with the assent of
37 three-fifths of the voters voting thereon at a general or special port

1 election called for that purpose, a port district may contract
2 indebtedness or borrow money for district purposes and may issue
3 general obligation bonds therefor provided the total indebtedness of
4 the district at any such time shall not exceed three-fourths of one
5 percent of the value of the taxable property in the district.

6 (3) In addition to the indebtedness authorized under subsections
7 (1) and (2) of this section, port districts having less than two
8 hundred million dollars in value of taxable property and operating a
9 municipal airport may at any time contract indebtedness or borrow money
10 for airport capital improvement purposes and may issue general
11 obligation bonds therefor not exceeding an additional one-eighth of one
12 percent of the value of the taxable property in the district without
13 authorization by the voters; and, with the assent of three-fifths of
14 the voters voting thereon at a general or special port election called
15 for that purpose, may contract indebtedness or borrow money for airport
16 capital improvement purposes and may issue general obligation bonds
17 therefor for an additional three-eighths of one percent provided the
18 total indebtedness of the district for all port purposes at any such
19 time shall not exceed one and one-fourth percent of the value of the
20 taxable property in the district.

21 (4) Except as provided in section 3 of this act, any port district
22 may issue general district bonds evidencing any indebtedness, payable
23 at any time not exceeding fifty years from the date of the bonds. Any
24 contract for indebtedness or borrowed money authorized by RCW
25 53.36.030(1)(b) shall not exceed twenty-five years. The bonds shall be
26 issued and sold in accordance with chapter 39.46 RCW.

27 (5) Elections required under this section shall be held as provided
28 in RCW 39.36.050.

29 (6) For the purpose of this section, "indebtedness of the district"
30 shall not include any debt of a county-wide district with a population
31 less than twenty-five hundred people when the debt is secured by a
32 mortgage on property leased to the federal government; and the term
33 "value of the taxable property" shall have the meaning set forth in RCW
34 39.36.015.

35 (7) This section does not apply to a loan made under a loan
36 agreement under chapter 39.69 RCW, and a computation of indebtedness
37 under this chapter must exclude the amount of a loan under such a loan
38 agreement.

1 **Sec. 5.** RCW 90.71.400 and 2007 c 341 s 23 are each amended to read
2 as follows:

3 (1) The Puget Sound recovery state account is created in the state
4 treasury. To the account shall be deposited such funds as the
5 legislature directs or appropriates to the account. Federal grants,
6 gifts, or other financial assistance received by the Puget Sound
7 partnership and other state agencies from nonstate sources for the
8 specific purpose of recovering Puget Sound may be deposited into the
9 account. Moneys in the account may be spent only after appropriation.
10 Expenditures from the account may be used for the protection and
11 recovery of Puget Sound.

12 (2) The Puget Sound recovery local account is created in the state
13 treasury. All receipts from a port district located in a county
14 bordering Puget Sound with a population of greater than one million
15 five hundred thousand citizens under RCW 53.36.020 must be deposited
16 into the account. Expenditures from the account may be used only as
17 provided in section 6 of this act. Only the executive director of the
18 partnership or executive director's designee may authorize expenditures
19 from the account. The account is subject to the allotment procedures
20 under chapter 43.88 RCW, but an appropriation is not required for
21 expenditures.

22 NEW SECTION. **Sec. 6.** A new section is added to chapter 90.71 RCW
23 to read as follows:

24 (1) Expenditures from the Puget Sound recovery local account
25 created in RCW 90.71.400 may be used for the following purposes:

26 (a) Physical construction projects identified in the action agenda;
27 and

28 (b) Ongoing activities identified in the action agenda.

29 (2) Physical projects and activities funded through expenditures
30 from the Puget Sound recovery local account must be located in the
31 county where the revenue was generated, benefit a watershed within that
32 county, or benefit the Puget Sound waters directly adjacent to that
33 county. If the taxpayers of more than one county have participated in
34 the revenue generation, then the expenditures must be proportional to
35 the amount of revenue generated by each county.

36 (3) The director of the partnership must coordinate with the

1 apprenticeship council created in RCW 49.04.010 in an attempt to match
2 apprentice opportunities with construction projects funded through
3 expenditures from the Puget Sound recovery local account.

4 (4) The partnership must present an annual report to the executive
5 body of any counties where revenue in the Puget Sound recovery local
6 account has been collected that details planned and actual expenditures
7 in that county from the Puget Sound recovery local account.

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