
ENGROSSED SUBSTITUTE HOUSE BILL 3259

State of Washington

60th Legislature

2008 Regular Session

By House Finance (originally sponsored by Representatives Hunter, Hudgins, Schual-Berke, Upthegrove, and McIntire)

READ FIRST TIME 02/12/08.

1 AN ACT Relating to provisions of limited duration that pertain to
2 the financing and operation of port districts; amending RCW 84.55.092
3 and 53.36.030; creating a new section; and providing an expiration
4 date.

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

6 **Sec. 1.** RCW 84.55.092 and 1998 c 16 s 3 are each amended to read
7 as follows:

8 (1) Except as provided in subsection (2) of this section, the
9 regular property tax levy for each taxing district other than the state
10 may be set at the amount which would be allowed otherwise under this
11 chapter if the regular property tax levy for the district for taxes due
12 in prior years beginning with 1986 had been set at the full amount
13 allowed under this chapter including any levy authorized under RCW
14 52.16.160 that would have been imposed but for the limitation in RCW
15 52.18.065, applicable upon imposition of the benefit charge under
16 chapter 52.18 RCW.

17 (2) Until July 1, 2010, a port district may not use levy proceeds
18 derived from banked levy capacity under this section to pay, secure, or
19 guarantee the payment of principal and interest on general obligation

1 bonds issued after the effective date of this section. This subsection
2 only applies to a port district in a county with a population of one
3 million or more.

4 (3) The purpose of subsection (1) of this section is to remove the
5 incentive for a taxing district to maintain its tax levy at the maximum
6 level permitted under this chapter, and to protect the future levy
7 capacity of a taxing district that reduces its tax levy below the level
8 that it otherwise could impose under this chapter, by removing the
9 adverse consequences to future levy capacities resulting from such levy
10 reductions.

11 **Sec. 2.** RCW 53.36.030 and 1996 c 66 s 1 are each amended to read
12 as follows:

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

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

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

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

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

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

31 (6) For the purpose of this section, "indebtedness of the district"
32 shall not include any debt of a county-wide district with a population
33 less than twenty-five hundred people when the debt is secured by a
34 mortgage on property leased to the federal government; and the term
35 "value of the taxable property" shall have the meaning set forth in RCW
36 39.36.015.

37 (7) This section does not apply to a loan made under a loan

1 agreement under chapter 39.69 RCW, and a computation of indebtedness
2 under this chapter must exclude the amount of a loan under such a loan
3 agreement.

4 (8) Until July 1, 2010, a port district may not use property tax
5 revenue derived from banked levy capacity under RCW 84.55.092 to pay,
6 secure, or guarantee the payment of principal and interest on general
7 obligation bonds issued after the effective date of this section. This
8 subsection only applies to a port district in a county with a
9 population of one million or more.

10 NEW SECTION. Sec. 3. (1)(a) A task force on Washington port
11 district finance and management, for port districts in counties with
12 more than one million residents, is established, with members as
13 provided in this subsection:

14 (i) The members of the finance committee of the house of
15 representatives;

16 (ii) The members of the ways and means committee of the senate; and

17 (iii) Two members from the governor's policy staff, appointed by
18 the governor.

19 (b) The task force shall choose its chair and cochairs from among
20 its legislative membership. The chair of the finance committee of the
21 house of representatives shall convene the initial meeting of the task
22 force.

23 (2) The task force shall consult with individuals from the public
24 and private sectors and other interested parties, as may be
25 appropriate, for technical advice and assistance and may ask those
26 individuals to establish advisory work groups that report to the task
27 force.

28 (3) The task force shall examine the management of a port district
29 in a county with more than one million residents. The duties of the
30 task force shall include examinations of:

31 (a) Adopted financial management policies and tools employed by the
32 district to monitor its performance;

33 (b) Stewardship practices employed by the district for existing
34 funding sources and their uses, with a special emphasis on the
35 imposition and use of property tax levies; and

36 (c) The structure and role of the district's commission in the

1 establishment and measurement of the financial and operating
2 performance of the district.

3 (4) The task force shall use legislative facilities, and staff
4 support shall be provided by the house of representatives office of
5 program research and senate committee services.

6 (5) Legislative members of the task force must be reimbursed for
7 travel expenses in accordance with RCW 44.04.120. Nonlegislative
8 members, except those representing an employer or organization, are
9 entitled to be reimbursed for travel expenses in accordance with RCW
10 43.03.050 and 43.03.060.

11 (6) The expenses of the task force shall be paid jointly by the
12 house of representatives and the senate. Task force expenditures are
13 subject to approval by the senate facilities and operations committee
14 and the house of representatives executive rules committee, or their
15 successor committees.

16 (7) The task force shall report its findings and recommendations to
17 the governor and the appropriate committees of the house of
18 representatives and the senate by December 1, 2010.

19 (8) This section expires May 1, 2011.

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