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HOUSE BILL 3259

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State of Washington                      60th Legislature                      2008 Regular Session

By Representatives Hunter, Hudgins, Schual-Berke, Upthegrove, and McIntire

Read first time 01/28/08. Referred to Committee on Finance.

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) The government accountability and  
11 review committee on port district finance, governance, and management  
12 is established, with members as provided in this subsection:

13 (i) Two members from each of the two largest caucuses of the house  
14 of representatives, appointed by the speaker of the house of  
15 representatives; and

16 (ii) Two members from each of the two largest caucuses of the  
17 senate, appointed by the president of the senate.

18 (b) The committee shall select a chair from among its legislative  
19 membership.

20 (c) The committee shall select an advisory panel consisting of one  
21 member, as recommended by the governor, from each of the following:

22 (i) The Washington state association of county treasurers;

23 (ii) The Washington public ports association;

24 (iii) The freight mobility strategic investment board;

25 (iv) The municipal research council;

26 (v) The Washington state association of counties; and

27 (vi) The association of Washington cities.

28 (2) The committee shall consult with individuals from the public  
29 and private sectors and other interested parties, as may be  
30 appropriate, for technical advice and assistance and may ask those  
31 individuals to establish advisory subcommittees or work groups that  
32 report to the committee.

33 (3) The committee shall:

34 (a) Examine the finance, governance, expenditure, and management  
35 structures of the port districts in Washington and those of other  
36 states and countries that compete with Washington's ports;

1 (b) Examine and consider alternative funding and taxation  
2 mechanisms for port districts in Washington;

3 (c) Consider the benefits and detriments associated with  
4 consolidating large port districts, their operations, or both;

5 (d) Consider the benefits and detriments of separating air and sea  
6 port operations; and

7 (e) Consider whether large port districts should be governed wholly  
8 or partially by county legislative authorities.

9 (4) The committee shall use legislative facilities, and staff  
10 support shall be provided by the house of representatives office of  
11 program research and senate committee services.

12 (5) The committee may contract with additional persons who have  
13 specific technical expertise if the expertise is necessary to carry out  
14 the provisions of this section. The committee may enter into such a  
15 contract only if an appropriation is specifically provided for this  
16 purpose.

17 (6) Legislative members of the committee must be reimbursed for  
18 travel expenses in accordance with RCW 44.04.120. Advisory panel  
19 members, except those representing an employer or organization, are  
20 entitled to be reimbursed for travel expenses in accordance with RCW  
21 43.03.050 and 43.03.060.

22 (7) The expenses of the committee must be paid jointly by the house  
23 of representatives and the senate. Committee expenditures are subject  
24 to approval by the senate facilities and operations committee and the  
25 house of representatives executive rules committee, or their successor  
26 committees.

27 (8) The committee shall report upon its initial actions to the  
28 governor and appropriate committees of the house of representatives and  
29 the senate by December 1, 2008.

30 (9) The committee shall report its findings and recommendations to  
31 the governor and the appropriate committees of the house of  
32 representatives and the senate by December 1, 2009.

33 (10) This section expires May 1, 2010.

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