H-0898.1	

HOUSE BILL 1430

2011 Regular Session State of Washington 62nd Legislature

By Representatives Anderson and Eddy

Read first time 01/21/11. Referred to Committee on Local Government.

1 AN ACT Relating to creation of the Puget Sound port authority; 2. amending RCW 53.47.020; adding a new chapter to Title 53 RCW; and

providing an effective date. 3

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

5 PART I

FINDINGS OF POLICY AND PURPOSE 6

NEW SECTION. Sec. 101. LEGISLATIVE INTENT. The legislature finds that a well-developed and maintained, effectively managed, and marketcompetitive freight transportation port infrastructure is essential to the long-term economic prosperity of the state and its citizens in a global economy. The legislature further finds that integrated capital facilities investment, global marketing, and operational management generate operating efficiencies and economies of scale that provide the best value to taxpayers. It is the intent of the legislature that a Puget Sound port authority shall meet and exceed the operational productivity and financial performance metrics of global and domestic peer ports.

1 PART II

PUGET SOUND PORT AUTHORITY

NEW SECTION. Sec. 201. FORMATION. A port district located in a county with a population of one million five hundred thousand persons or more and any port district located in an adjoining county with a population of over five hundred thousand persons shall establish the Puget Sound port authority within one year of the effective date of this section.

- <u>NEW SECTION.</u> **Sec. 202.** GOVERNANCE. (1) A board of commissioners consisting of eleven nonpartisan commissioners shall govern the Puget Sound port authority.
 - (2) Commissioners are elected and apportioned as follows:
- (a) Six commissioners apportioned to six geographical districts and elected on a nonpartisan basis. Each commissioner representing a district must be a registered voter residing within that district. Initial apportionment and establishment of district lines must be determined by the county auditors located within the authority within thirty days of the formation of the Puget Sound port authority according to the requirements in (c) of this subsection. Subsequent reapportionment and drawing of district lines must be conducted by the county auditors located within the authority;
- (b) Five commissioners appointed by the governor with the consent of the senate. The governor's appointments shall include individuals who have relevant expertise in international trade, marketing, freight transportation design, construction, operation, and maintenance; and
- (c) At least two districts must be located primarily in each county. Each district must contain a population, excluding nonresident military personnel, as equal as practicable to the population of any other district. To a reasonable extent, each district must contain contiguous territory, be compact, and be convenient.
- (3) Commissioners, including those appointed by the governor, shall serve six-year terms of office, except that two of the initially elected commissioners representing a district shall serve a two-year term of office and two of the initially elected commissioners representing a district shall serve four-year terms. The governor shall designate which districts have commissioners that serve two-year,

four-year, and six-year terms. The first election for commissioners must be held at the general election following the formation of the Puget Sound port authority, consistent with Title 29A RCW.

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- (4) The commissioners shall: Organize, by the election of its own members, a president and secretary; by resolution, adopt rules governing the transaction of its business; and adopt an official seal. Only an elected commissioner may serve as president or secretary. All proceedings of the Puget Sound port authority commission shall be by motion or resolution recorded in a book or books kept for such purpose, which shall be public records.
- (5) Vacancies in positions appointed by the governor must be filled by appointment of the governor. Vacancies in elected positions must be filled by a person approved by a majority of the remaining commissioners who shall serve until the vacancy is filled at the next general election held more than one hundred eighty days after the date the vacancy is filled on an interim basis. The person appointed to fill a vacancy shall serve for the remainder of the unexpired term of the office to which he or she was appointed.
- 19 (6) If a commissioner is appointed by the governor, the governor 20 may only reappoint a commissioner to one additional six-year term of 21 office.
- NEW SECTION. Sec. 203. POWERS AND PURPOSES. A Puget Sound port authority is hereby granted all powers and purposes consistent with those in this title as now or hereafter amended.
- NEW SECTION. Sec. 204. DISSOLUTION OF PORT DISTRICTS WITHIN THE PUGET SOUND PORT AUTHORITY. After establishment of the Puget Sound port authority under section 201 of this act, any port district located within the boundaries of the Puget Sound port authority shall be dissolved pursuant to the applicable provisions of chapter 53.47 RCW.
- 30 **Sec. 205.** RCW 53.47.020 and 1971 ex.s. c 162 s 2 are each amended to read as follows:
- A port district shall be deemed inactive if, at the time of the filing of the petition for dissolution with the clerk of the superior court of the county in which such port district is situated, such port

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has failed to comply with ((subdivision)) subsection (1), (2), ((or)) 2 (3), or (4) of this section.

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- (1) The port district has failed to file its budget with the board of county commissioners or, in the case of home rule charters, the appropriate governing body for the two fiscal years immediately preceding the date of filing such petition, and the port district, having been in existence for two years or more, has failed to adopt its comprehensive plan of harbor improvement and/or industrial development as provided by statute, and does not presently own or has not leased within two years prior to the filing of such petition, real property for use for port purposes.
- (2) The port district does not presently own or has not leased or owned real property for use for port purposes within the four calendar years prior to the filing of such petition.
- (3) The port district has not filed its budget with the board of county commissioners or, in the case of home rule charters, the appropriate governing body for the two fiscal years immediately preceding the filing of said petition has not adopted its comprehensive plan of harbor improvement and/or industrial development as provided by statute, and has not met with a legal quorum at least twice in the last two calendar years prior to the filing of such petition.
- 22 (4) The port district is located within the boundaries of the Puget 23 Sound port authority established under section 201 of this act.
- 206. COMMISSIONER COMPENSATION. 24 NEW SECTION. Sec. Each 25 commissioner shall receive an annual salary equal to the annual salary 26 of a county councilmember located in a county with a population of one 27 million five hundred thousand persons or more. A commissioner may waive all or a portion of his or her compensation under this section 28 29 during his or her term of office, by a written waiver filed with the 30 secretary of the commission.
- NEW SECTION. Sec. 207. CONSOLIDATION OF OVERSEAS OFFICES. A
 Puget Sound port authority shall coordinate with the overseas trade
 offices within the department of commerce and establish a plan to
 consolidate trade offices with the Puget Sound port authority.

NEW SECTION. Sec. 208. REPORT TO THE GOVERNOR AND LEGISLATURE. Within one year of the effective date of this section, the Puget Sound port authority shall submit to the governor and legislature a plan detailing how the authority will significantly enhance Washington state's global marine, air, and rail freight transportation competitiveness with other global and domestic ports and increase international trade commerce providing broad economic benefits to the citizens of the state. The plan shall include, but is not limited to, the following elements:

- (1) An integrated and consolidated management and operations reorganization plan to be implemented in a phased manner over five years. The management and operations reorganization plan must include specific actions and clearly measurable fiscal metrics;
- (2) How the authority will maximize and expand freight transportation capital facilities to significantly increase global marine, air, and rail freight transportation infrastructure capacity, including a fifty-year investment funding plan to support such investments. The authority must include the evaluation and application of environmental technologies and practices to mitigate potential adverse impacts. The joint legislative audit and review committee and the Puget Sound port authority shall jointly collaborate to develop performance metrics to assess capital facilities utilization and productivity;
- (3) A strategic global marketing plan to increase global and domestic market share for North American markets for both inbound and outbound global freight transportation traffic volume and commodity dollar value, including clearly identifiable targeted markets and market penetration performance goals and metrics;
- (4) The capital facilities investment plan and the strategic global marketing plan shall identify and take into consideration existing global freight transportation and marketing assets located in Washington and located across the greater binational Pacific Northwest economic region including, but not limited to, collaboration with the port authorities of the Canadian province of British Columbia.

35 PART III 36 FINANCES

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NEW SECTION. Sec. 301. TREASURER. (1) A Puget Sound port authority, by resolution, shall designate a person with experience in financial or fiscal matters as treasurer of the authority. The commission may designate the treasurer of any county within which the authority is located to act as its treasurer. The designated treasurer has all of the powers, responsibilities, and duties the county treasurer has related to investing surplus funds. The authority shall require a bond with a surety company authorized to do business in this state in an amount and under the terms and conditions the authority, by resolution, from time to time finds will protect the authority against loss. The authority shall pay the premium on the bond.

- (2) If the treasurer of the authority is also the treasurer of a county, all authority funds must be deposited with a county depository under the same restrictions, contracts, and security as provided for county depositories. If the treasurer of the authority is not the treasurer of a county, all funds must be deposited in a bank or banks that are authorized to do business in this state and are qualified for insured deposits under any federal deposit insurance act as the authority, by resolution, designates, or funds shall be invested in legal investments for counties.
- 21 (3) The authority may provide and require a reasonable bond of any 22 other person handling money or securities of the authority, but the 23 authority shall pay the premium on the bond.

Sec. 302. TAX LEVY--LIMITATION. NEW SECTION. The Puget Sound port authority may raise revenue by levy of an annual tax not to exceed forty-five cents per thousand dollars of assessed value against the assessed valuation of the taxable property in the authority boundaries. Any levy collected under this section shall be used solely for capital improvements and no levy revenue may be used for operations of the authority. The levy shall be made and taxes collected in the manner provided for the levy and collection of taxes in school districts of the first class.

NEW SECTION. Sec. 303. PAYMENT OF CLAIMS--USE OF WARRANTS AND CHECKS. The Puget Sound port authority that acts as its own treasurer as provided in section 301 of this act may by resolution adopt a policy for the payment of claims or other obligations of the authority, which

- are payable out of solvent funds, electing either to pay obligations by 1 2 warrant or by check. However, no check shall be issued when the applicable fund is not solvent at the time payment is ordered, but a 3 warrant shall be issued instead. When checks are to be used, the 4 commission shall designate the qualified public depository where checks 5 are to be drawn, and the officers authorized or required to sign 6 7 checks. Wherever in this title reference is made to warrants, the term includes checks authorized by this section. 8
- 9 <u>NEW SECTION.</u> **Sec. 304.** INDEBTEDNESS--LIMITATION. (1) The Puget Sound port authority may at any time contract indebtedness or borrow money for authority purposes and may issue general obligation bonds therefor not exceeding an amount, together with any existing indebtedness of the authority not authorized by the voters, of one-fourth of one percent of the value of the taxable property in the district.

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- (2) With the assent of three-fifths of the voters voting thereon at a general or special port authority election called for that purpose, the Puget Sound port authority may contract indebtedness or borrow money for authority purposes and may issue general obligation bonds therefor provided the total indebtedness of the authority at any such time shall not exceed three-fourths of one percent of the value of the taxable property in the authority.
- (3) Any port district may issue general district bonds evidencing any indebtedness, payable at any time not exceeding fifty years from the date of the bonds. Any contract for indebtedness or borrowed money authorized by RCW 53.36.030(1)(b) shall not exceed twenty-five years. The bonds shall be issued and sold in accordance with chapter 39.46 RCW.
- 29 (4) Elections required under this section shall be held as provided 30 in RCW 39.36.050.
- 31 (5) This section does not apply to a loan made under a loan 32 agreement under chapter 39.69 RCW, and a computation of indebtedness 33 under this chapter must exclude the amount of a loan under such a loan 34 agreement.
- NEW SECTION. Sec. 305. (1) The Puget Sound port authority is hereby authorized, prior to the receipt of taxes raised by levy, to

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borrow money or issue the warrants of the authority in anticipation of the revenues to be derived by such authority and such warrants shall be redeemed from the first money available from such taxes when collected.

Such warrants may be in any form, including bearer warrants or

5 registered warrants as provided in RCW 39.46.030.

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6 (2) Notwithstanding subsection (1) of this section, such warrants
7 may be issued and sold in accordance with chapter 39.46 RCW.

NEW SECTION. Sec. 306. The designated treasurer acting as Puget Sound port authority treasurer shall create a fund to be known as the "Puget Sound port authority fund," into which shall be paid all money received by him or her from the collection of taxes in behalf of such port authority, and shall also maintain such other special funds as may be created by the commission into which shall be placed such moneys as the commission may by its resolution direct. All such port authority funds shall be deposited with the county depositories under the same restrictions, contracts, and security as is provided by statute for county depositories and all interest collected on such port authority funds shall belong to the Puget Sound port authority and shall be deposited to its credit in the proper authority funds: PROVIDED, That any portion of such authority moneys determined by the commission to be in excess of the current needs of the authority may be invested by the county treasurer in accordance with RCW 36.29.020 and 36.29.022 and chapter 39.59 RCW, and all interest collected thereon shall likewise belong to the authority and shall be deposited to its credit in the proper authority funds.

NEW SECTION. Sec. 307. The commission of the Puget Sound port authority may, by resolution, create an incidental expense fund in such amount as the commission may direct. Such incidental expense fund may be kept and maintained in a bank or banks designated in the resolution creating the fund, and such depository shall be required to give bonds or securities to the authority for the protection of such incidental expense fund, in the full amount of the fund authorized by the resolution. Vouchers shall be drawn to reimburse said incidental expense fund and such vouchers shall be approved by the commission. Transient labor, freight, express, cartage, postage, petty supplies, and minor expenses of the authority may be paid from said incidental

expense fund and all such disbursements therefrom shall be by check of 1 2 the authority auditor or such other officer as the commission shall by resolution direct. All expenditures from said incidental expense fund 3 4 shall be covered by vouchers drawn by the authority auditor and approved by the manager or such other officer of the authority as the 5 6 commission may by resolution direct. The officer disbursing said fund 7 shall be required to give bond to the authority in the full authorized 8 amount of the incidental expense fund for the faithful performance of 9 his or her duties in connection with the disbursement of moneys from 10 such fund.

11 PART IV

12 MISCELLANEOUS PROVISIONS

- NEW SECTION. Sec. 401. APPLICABILITY OF PUBLIC LAWS. The Puget Sound port authority, its officers, and the board of commissioners, created under this act, are subject to the general laws regulating local governments and local governmental officials including, but not
- 17 limited to, applicable requirements under chapters 42.17, 42.23, 42.30,
- 18 42.41, and 43.09 RCW.
- 19 <u>NEW SECTION.</u> **Sec. 402.** Sections 101, 201 through 204, 206 through 20 208, 301 through 307, 401 and 403 through 405 of this act constitute a
- 21 new chapter in Title 53 RCW.
- 22 <u>NEW SECTION.</u> **Sec. 403.** If any provision of this act or its
- 23 application to any person or circumstance is held invalid, the
- 24 remainder of the act or the application of the provision to other
- 25 persons or circumstances is not affected.
- NEW SECTION. Sec. 404. This act shall be liberally construed to
- 27 effect the policies and purposes of this act.
- 28 <u>NEW SECTION.</u> **Sec. 405.** This act takes effect August 1, 2011.

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