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**SUBSTITUTE SENATE BILL 5222**

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**State of Washington**

**62nd Legislature**

**2011 Regular Session**

**By** Senate Economic Development, Trade & Innovation (originally sponsored by Senators Kastama, Delvin, Eide, Honeyford, Hargrove, Haugen, Prentice, Hobbs, Shin, and Chase)

READ FIRST TIME 02/16/11.

1 AN ACT Relating to increasing the flexibility for industrial  
2 development district levies for public port districts; amending RCW  
3 53.25.040; adding a new section to chapter 53.36 RCW; adding a new  
4 section to chapter 84.55 RCW; creating new sections; and repealing RCW  
5 53.36.100 and 53.36.110.

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

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

9 (1)(a) A port district having adopted a comprehensive scheme of  
10 harbor improvements and industrial developments may thereafter raise  
11 revenue through:

12 (i) A first multiyear levy period, if it meets the requirements of  
13 this subsection (1);

14 (ii) A second multiyear levy period, if it meets the requirements  
15 of this subsection (1) and subsection (2) of this section; and

16 (iii) A third multiyear levy period, if it meets the requirements  
17 of subsection (3) of this section.

18 (b) First and second multiyear levy periods do not have to be  
19 consecutive.

1 (c) First and second multiyear levy periods may not overlap.

2 (d) The aggregate revenue that may be collected over a first or  
3 second multiyear levy period may not exceed the sum of: (i) Two  
4 dollars and seventy cents per thousand dollars of assessed value  
5 multiplied by the assessed valuation of the taxable property in the  
6 port district for taxes collected in the base year; and (ii) the  
7 difference of:

8 (A) The maximum allowable amount that could have been collected  
9 under RCW 84.55.010 for the first six collection years of the levy  
10 period; and

11 (B) The amount calculated under (d)(i) of this subsection (1).

12 (e) The levy rate in any year may not exceed forty-five cents per  
13 thousand dollars of assessed value.

14 (f) A levy period may not exceed twenty years from the date the  
15 initial levy is made in the period.

16 (g) A port district must adopt a resolution during the base year  
17 approving the use of a first or second multiyear levy period.

18 (2) If a port district intends to impose levies over a second  
19 multiyear levy period, the port commission must publish notice of this  
20 intention, in one or more newspapers of general circulation within the  
21 district, by April 1st of the year in which the first levy in the  
22 second multiyear levy period is to be made. If within ninety days of  
23 the date of publication a petition is filed with the county auditor  
24 containing the signatures of eight percent of the number of voters  
25 registered and voting in the port district for the office of the  
26 governor at the last preceding gubernatorial election, the county  
27 auditor must canvass the signatures in the same manner as prescribed in  
28 RCW 29A.72.230 and certify their sufficiency to the port commission  
29 within two weeks. The proposition to impose levies over a second  
30 multiyear levy period must be submitted to the voters of the port  
31 district at a special election, called for this purpose, no later than  
32 the date on which a primary election would be held under RCW  
33 29A.04.310. The levies may be made in the second multiyear levy period  
34 only if approved by a majority of the voters of the port district  
35 voting on the proposition.

36 (3) In addition, if voters approve a ballot proposition authorizing  
37 additional levies by a simple majority vote, a port district located in  
38 a county bordering on the Pacific Ocean having adopted a comprehensive

1 scheme of harbor improvements and industrial developments may impose a  
2 third levy for a period that may not exceed six years. The levy rate  
3 in any year may not exceed forty-five cents per thousand dollars of  
4 assessed value. Except for the initial levy in the third levy period,  
5 RCW 84.55.010 applies to the tax authorized in this subsection.

6 (4) The levy of such taxes under this section is authorized  
7 notwithstanding the provisions of RCW 84.52.043 and 84.52.050. The  
8 revenues derived from levies made under this section not expended in  
9 the year in which the levies are made may be paid into a fund for  
10 future use in carrying out the powers granted under chapter 53.25 RCW,  
11 which fund may be accumulated and carried over from year to year, with  
12 the right to continue to levy the taxes provided for under this section  
13 for the purposes herein authorized.

14 (5) In the event a levy authorized in this section produces revenue  
15 in excess of the requirements to complete the projects of a port  
16 district then provided for in its comprehensive scheme of harbor  
17 improvements and industrial developments or amendments thereto, the  
18 excess must be used solely for the retirement of general obligation  
19 bonded indebtedness.

20 (6)(a) Except as otherwise provided in this subsection, a port  
21 district that has levied the tax authorized under RCW 53.36.100, may  
22 not levy a tax authorized under this section.

23 (b) A port district that levied the tax authorized under RCW  
24 53.36.100 for taxes collected in 2011 as part of the initial six-year  
25 period, may levy the tax authorized under this section for a second and  
26 third multiyear levy period in accordance with this section after the  
27 initial six-year levy period under RCW 53.36.100.

28 (c) A port district that levied the tax authorized under RCW  
29 53.36.100 for taxes collected in 2011 as part of the second six-year  
30 period, may levy the tax authorized under this section for a third  
31 multiyear levy period in accordance with this section after the second  
32 six-year levy period under RCW 53.36.100.

33 (d) A port district that did not levy the tax authorized under RCW  
34 53.36.100 for taxes collected in 2011 but has previously levied a tax  
35 under RCW 53.36.100 for only the initial six-year period, may impose  
36 levies in accordance with this section for a second and third multiyear  
37 levy period.

1 (e) A port district that did not levy the tax authorized under RCW  
2 53.36.100 for taxes collected in 2011 but has previously levied a tax  
3 under RCW 53.36.100 for the initial and second six-year periods, may  
4 impose levies in accordance with this section for a third multiyear  
5 levy period.

6 (7) For the purposes of this section, "base year" means the year  
7 prior to the first collection year in a first or second multiyear levy  
8 period.

9 **Sec. 2.** RCW 53.25.040 and 1989 c 167 s 1 are each amended to read  
10 as follows:

11 (1) A port commission may, after a public hearing thereon, of which  
12 at least ten days' notice (~~((shall))~~) must be published in a newspaper of  
13 general circulation in the port district, create industrial development  
14 districts within the district and define the boundaries thereof, if it  
15 finds that the creation of the industrial development district is  
16 proper and desirable in establishing and developing a system of harbor  
17 improvements and industrial development in the port district.

18 (2)(a) The boundaries of an industrial development district created  
19 by subsection (1) of this section may be revised from time to time by  
20 resolution of the port commission, to delete land area therefrom, if  
21 the land area to be deleted was acquired by the port district with its  
22 own funds or by gift or transfer other than pursuant to RCW 53.25.050  
23 or 53.25.060.

24 (b) As to any land area to be deleted under this subsection that  
25 was acquired or improved by the port district with funds obtained  
26 through RCW 53.36.100 or section 1 of this act, the port district  
27 (~~((shall))~~) must deposit funds equal to the fair market value of the  
28 lands and improvements into the fund for future use described in RCW  
29 53.36.100 or section 1 of this act and such funds (~~((shall be))~~) are  
30 thereafter subject to RCW 53.36.100 or section 1 of this act. The fair  
31 market value of the land and improvements (~~((shall))~~) must be determined  
32 as of the effective date of the port commission action deleting the  
33 land from the industrial development district and (~~((shall))~~) must be  
34 determined by an average of at least two independent appraisals by  
35 professionally designated real estate appraisers (~~((as defined in RCW~~  
36 ~~74.46.020))~~) or licensed real estate brokers. The funds (~~((shall))~~) must  
37 be deposited into the fund for future use described in RCW 53.36.100

1 within ninety days of the effective date of the port commission action  
2 deleting the land area from the industrial district. Land areas  
3 deleted from an industrial development district under this subsection  
4 (~~shall~~) are not (~~be~~) further subject to the provisions of this  
5 chapter. This subsection (~~shall apply~~) applies to presently existing  
6 and future industrial development districts. Land areas deleted from  
7 an industrial development district under this subsection that were  
8 included within such district for less than two years, if the port  
9 district acquired the land through condemnation or as a consequence of  
10 threatened condemnation, (~~shall~~) must be offered for sale, for cash,  
11 at the appraised price, to the former owner of the property from whom  
12 the district obtained title. Such offer (~~shall~~) must be made by  
13 certified or registered letter to the last known address of the former  
14 owner. The letter (~~shall~~) must include the appraised price of the  
15 property and notice that the former owner must respond in writing  
16 within thirty days or lose the right to purchase. If this right to  
17 purchase is exercised, the sale (~~shall~~) must be closed by midnight of  
18 the sixtieth day, including nonbusiness days, following close of the  
19 thirty-day period.

20 NEW SECTION. Sec. 3. A new section is added to chapter 84.55 RCW  
21 to read as follows:

22 (1) Except as provided in section 1(3) of this act, RCW 84.55.010  
23 does not apply to a levy under section 1 of this act.

24 (2) For purposes of applying the provisions of this chapter, a levy  
25 by or for a port district under section 1(3) of this act must be  
26 treated in the same manner as a separate regular property tax levy made  
27 by or for a separate taxing district.

28 NEW SECTION. Sec. 4. A port district may not levy taxes under RCW  
29 53.36.100 for collection in 2016 and thereafter.

30 NEW SECTION. Sec. 5. The following acts or parts of acts, as now  
31 existing or hereafter amended, are each repealed effective January 1,  
32 2016:

33 (1) RCW 53.36.100 (Levy for industrial development district  
34 purposes--Notice--Petition--Election) and 1994 c 278 s 1, 1982 1st

1 ex.s. c 3 s 1, 1979 c 76 s 1, 1973 1st ex.s. c 195 s 58, & 1957 c 265  
2 s 1; and

3 (2) RCW 53.36.110 (Levy for industrial development district  
4 purposes--Excess funds to be used solely for retirement of general  
5 obligations) and 1957 c 265 s 2.

6 NEW SECTION. **Sec. 6.** Section 1 of this act applies to taxes  
7 levied for collection in 2012 and thereafter.

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