

FINAL BILL REPORT

ESHB 1170

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Synopsis as Enacted

Brief Description: Granting port districts certain administrative powers.

Sponsors: House Committee on Local Government (originally sponsored by Representatives Clibborn, Zeiger, Tarleton, Wilcox, Springer, Jinkins, Fey, Kilduff, Fitzgibbon, Gregerson and Tharinger).

House Committee on Local Government
Senate Committee on Trade & Economic Development

Background:

Port Districts.

Ports districts (districts) are special purpose districts established to acquire, construct, maintain, operate, develop, and regulate: harbor improvements; rail, motor vehicle, water, or air transfer and terminal facilities, or any combination of such transfer and terminal facilities; other commercial transportation, transfer, handling, storage and terminal facilities; and industrial improvements. Districts may have boundaries that are coextensive with the county in which they are located, or they may be less than countywide.

Port Commissions.

Powers of a district are exercised through a port commission consisting of three or five commissioners. Only registered voters residing in a commissioner district may hold office as a commissioner of the commissioner district.

In general, districts are divided into the same number of commissioner districts as commissioner positions in the district, with each commissioner district encompassing approximately the same population of residents. As an alternative, if approved by district voters at the time of district formation or at a subsequent election, districts with five commissioners may have two at-large commissioner districts and three commissioner districts that are each comprised of approximately one-third of the total district population.

Each port commission must choose from among its members a president and a secretary, adopt by resolution rules governing the transaction of its business, and adopt an official seal. All proceedings of the port commission must be by motion or resolution.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Port District Funds.

In general, a district may contract indebtedness, borrow money for district purposes, issue general obligation bonds, and issue revenue bonds.

Districts may also raise revenue by levy of an annual tax for general port purposes not to exceed 45 cents per \$1,000 of assessed value against the assessed valuation of taxable property in the district. Levies for dredging, canal construction, land leveling or filling purposes, and for industrial development district purposes are also authorized.

The county treasurer acting as port treasurer must create a fund into which all money received from the collection of district taxes must be paid. The county treasurer must also maintain other special funds created by the port commission and place moneys in the special funds as directed by the port commission.

Contracts with Other Governmental Entities.

Districts may enter into contracts with the United States, or any state, county, municipal corporation, or department of any state, county, or municipal corporation, to carry out any of the powers that each of the contracting parties may separately exercise.

Joint Exercise of Power.

Two or more districts may, by mutual agreement, exercise jointly all powers granted to each individual district. In jointly exercising powers, the districts may jointly acquire lands, property, property rights, leases, or easements necessary for their purposes that are either wholly or partially in the districts. All acquisitions by two or more districts acting jointly of real property or real property rights located in any other district may only occur with the consent of the other district.

Interlocal Cooperation Act.

The Interlocal Cooperation Act (ICA) allows public agencies to enter into agreements with one another for joint or cooperative action. Any power, privilege, or authority held by a public agency may be exercised jointly with one or more other public agencies having the same power, privilege, or authority. A "public agency" for purposes of interlocal agreements includes any agency, political subdivision, or unit of local government. The term specifically includes municipal corporations, special purpose districts, local service districts, state agencies, federal agencies, recognized Indian tribes, and other states' political subdivisions.

Summary:

Power to Create a Port Public Development Authority.

Districts located in a county with a population of more than 800,000 on July 24, 2015, may create a port public development authority (authority) to manage maritime activities of the district or districts. Authorities may be created by a single district or two districts acting jointly in accordance with an agreement for joint or cooperative action under the ICA. The district or districts may transfer to the authority any funds, real or personal property, property interests, or services.

Powers of the Port Public Development Authority.

Authorities may be created to: (1) administer and execute federal grants or programs; (2) receive and administer private funds, goods, or services for any lawful public purpose related to maritime activities of the district or districts; and (3) perform any lawful public purpose or public function related to maritime activities of the district or districts. Authorities are granted various powers, including to own and sell real and personal property, sue and be sued, and loan and borrow funds.

Authorities do not have the power of eminent domain, or the power to levy taxes or special assessments.

Organization and Management of the Port Public Development Authority.

The affairs, operations, and funds of an authority must be governed by the district or districts that created the authority. Each district that has either singly or jointly created an authority must oversee and manage the affairs, operations, and funds of the authority through the district's own elected port commission. Specifically, districts that jointly create an authority must each manage the authority through the district's own elected commissioners. In addition, the district or districts creating an authority must provide for the organization and operation of the authority.

Authorities are subject to applicable laws including the Public Records Act, the Open Public Meetings Act, and the Code of Ethics for Municipal Officers.

Contracts with the Federal or State Government.

For the management of maritime activities, districts and authorities may enter into agreements with the federal or state government to:

- receive and expend federal and private funds;
- issue bonds, notes, and other evidences of indebtedness that are guaranteed or secured by funds provided by the federal government; and
- agree to repay and reimburse guarantors of indebtedness.

Districts and authorities may also pledge security, create special funds relating to authorized federal or private funds, and contract with financial institutions to act as trustee or custodian of federal or private funds.

Transfers of Real Property to a Port Public Development Authority.

A district that transfers real property to an authority must impose appropriate deed restrictions to ensure that the property continues to be used for the public purpose for which it is transferred. An authority must provide advance written notice of any proposed sale or encumbrance of real property transferred to it by a district. The sale or encumbrance of such real property may only occur after approval by the authority at a public meeting.

Insolvency or Dissolution of a Port Public Development Authority.

If an authority is insolvent or dissolves, the superior court of a county in which the authority operates has jurisdiction to appoint and supervise trustees and receivers of the authority's property and assets. All liabilities incurred by the authority must be satisfied exclusively from its assets and property. Creditors do not have a right of action against the district or districts that created the authority.

Votes on Final Passage:

House	96	2
Senate	45	0

Effective: July 24, 2015