

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1337

64th Legislature
2015 Regular Session

Passed by the House March 10, 2015
Yeas 75 Nays 23

Speaker of the House of Representatives

Passed by the Senate April 13, 2015
Yeas 48 Nays 0

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1337** as passed by House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 1337

Passed Legislature - 2015 Regular Session

State of Washington

64th Legislature

2015 Regular Session

By House Finance (originally sponsored by Representatives Takko, Nealey, Springer, Zeiger, Tarleton, and Chandler)

READ FIRST TIME 02/27/15.

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; repealing RCW
5 53.36.100 and 53.36.110; and providing an effective date.

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
8 RCW 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
13 of 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.

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

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

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

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

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

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

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

17 (2) If a port district intends to impose levies over a second
18 multiyear levy period, the port commission must publish notice of
19 this intention, in one or more newspapers of general circulation
20 within the district, by April 1st of the year in which the first levy
21 in the second multiyear levy period is to be made. If within ninety
22 days of the date of publication a petition is filed with the county
23 auditor containing the signatures of eight percent of the number of
24 voters registered and voting in the port district for the office of
25 the governor at the last preceding gubernatorial election, the county
26 auditor must canvass the signatures in the same manner as prescribed
27 in RCW 29A.72.230 and certify their sufficiency to the port
28 commission within two weeks. The proposition to impose levies over a
29 second multiyear levy period must be submitted to the voters of the
30 port district at a special election, called for this purpose, no
31 later than the date on which a primary election would be held under
32 RCW 29A.04.311. The levies may be made in the second multiyear levy
33 period only if approved by a majority of the voters of the port
34 district voting on the proposition.

35 (3) In addition, if voters approve a ballot proposition
36 authorizing additional levies by a simple majority vote, a port
37 district located in a county bordering on the Pacific Ocean having
38 adopted a comprehensive scheme of harbor improvements and industrial
39 developments may impose a third levy for a period that may not exceed
40 six years. The levy rate in any year may not exceed forty-five cents

1 per thousand dollars of assessed value. Except for the initial levy
2 in the third levy period, RCW 84.55.010 applies to the tax authorized
3 in this subsection.

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

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

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

21 (b) A port district that levied the tax authorized under RCW
22 53.36.100 for taxes collected in 2015 as part of the initial six-year
23 period may levy the tax authorized under this section for a second
24 and third multiyear levy period in accordance with this section after
25 the initial six-year levy period under RCW 53.36.100.

26 (c) A port district that levied the tax authorized under RCW
27 53.36.100 for taxes collected in 2015 as part of the second six-year
28 period may levy the tax authorized under this section for a third
29 multiyear levy period in accordance with this section after the
30 second six-year levy period under RCW 53.36.100.

31 (d) A port district that did not levy the tax authorized under
32 RCW 53.36.100 for taxes collected in 2015 but has previously levied a
33 tax under RCW 53.36.100 for only the initial six-year period may
34 impose levies in accordance with this section for a second and third
35 multiyear levy period.

36 (e) A port district that did not levy the tax authorized under
37 RCW 53.36.100 for taxes collected in 2015 but has previously levied a
38 tax under RCW 53.36.100 for the initial and second six-year periods
39 may impose levies in accordance with this section for a third
40 multiyear levy period.

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

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

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

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

20 (b) As to any land area to be deleted under this subsection that
21 was acquired or improved by the port district with funds obtained
22 through RCW 53.36.100 or section 1 of this act, the port district
23 (~~shall~~) must deposit funds equal to the fair market value of the
24 lands and improvements into the fund for future use described in RCW
25 53.36.100 or section 1 of this act and such funds (~~shall be~~) are
26 thereafter subject to RCW 53.36.100 or section 1 of this act. The
27 fair market value of the land and improvements (~~shall~~) must be
28 determined as of the effective date of the port commission action
29 deleting the land from the industrial development district and
30 (~~shall~~) must be determined by an average of at least two
31 independent appraisals by professionally designated real estate
32 appraisers (~~as defined in RCW 74.46.020~~) or licensed real estate
33 brokers. The funds (~~shall~~) must be deposited into the fund for
34 future use described in RCW 53.36.100 within ninety days of the
35 effective date of the port commission action deleting the land area
36 from the industrial district. Land areas deleted from an industrial
37 development district under this subsection (~~shall~~) are not (~~be~~)
38 further subject to the provisions of this chapter. This subsection
39 (~~shall apply~~) applies to presently existing and future industrial

1 development districts. Land areas deleted from an industrial
2 development district under this subsection that were included within
3 such district for less than two years, if the port district acquired
4 the land through condemnation or as a consequence of threatened
5 condemnation, (~~shall~~) must be offered for sale, for cash, at the
6 appraised price, to the former owner of the property from whom the
7 district obtained title. Such offer (~~shall~~) must be made by
8 certified or registered letter to the last known address of the
9 former owner. The letter (~~shall~~) must include the appraised price
10 of the property and notice that the former owner must respond in
11 writing within thirty days or lose the right to purchase. If this
12 right to purchase is exercised, the sale (~~shall~~) must be closed by
13 midnight of the sixtieth day, including nonbusiness days, following
14 close of the thirty-day period.

15 NEW SECTION. **Sec. 3.** A new section is added to chapter 84.55
16 RCW to read as follows:

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

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

23 NEW SECTION. **Sec. 4.** A port district may not levy taxes under
24 RCW 53.36.100 for collection in 2026 and thereafter.

25 NEW SECTION. **Sec. 5.** The following acts or parts of acts, as
26 now existing or hereafter amended, are each repealed, effective
27 January 1, 2026:

28 (1) RCW 53.36.100 (Levy for industrial development district
29 purposes—Notice—Petition—Election) and 1994 c 278 s 1, 1982 1st
30 ex.s. c 3 s 1, 1979 c 76 s 1, 1973 1st ex.s. c 195 s 58, & 1957 c 265
31 s 1; and

32 (2) RCW 53.36.110 (Levy for industrial development district
33 purposes—Excess funds to be used solely for retirement of general
34 obligations) and 1957 c 265 s 2.

1 NEW SECTION. **Sec. 6.** Section 1 of this act applies to taxes
2 levied for collection in 2016 and thereafter.

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