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**SUBSTITUTE SENATE BILL 5413**

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**State of Washington**

**64th Legislature**

**2015 Regular Session**

**By** Senate Trade & Economic Development (originally sponsored by Senators Warnick, Chase, Honeyford, Hobbs, and Hatfield)

READ FIRST TIME 02/19/15.

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)(i) The aggregate revenue that may be collected over a first  
2 or second multiyear levy period may not exceed the maximum allowable  
3 amount that could have been levied for the first six years of the  
4 levy period, notwithstanding the ordinance or resolution requirement  
5 in RCW 84.55.120. The maximum amount that could have been levied in  
6 each of the first six years is the lesser of the amount that could  
7 have been levied under RCW 84.55.010 and forty-five cents per  
8 thousand dollars of assessed value multiplied by the taxable value of  
9 property within the port district.

10 (ii) For purposes of this subsection (1)(d), the maximum amount  
11 that could be levied under RCW 84.55.010 includes increases from the  
12 following multiplied by forty-five cents per thousand dollars of  
13 assessed value:

14 (A) New construction;

15 (B) Increases in assessed value due to construction of wind  
16 turbine, solar, biomass, and geothermal facilities, if such  
17 facilities generate electricity and the property is not included  
18 elsewhere under this section for purposes of providing an additional  
19 dollar amount. The property may be classified as real or personal  
20 property;

21 (C) Improvements to property; and

22 (D) Any increase in the assessed value of state-assessed  
23 property.

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

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

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

30 (2) If a port district intends to impose levies over a second  
31 multiyear levy period, the port commission must publish notice of  
32 this intention, in one or more newspapers of general circulation  
33 within the district, by April 1st of the year in which the first levy  
34 in the second multiyear levy period is to be made. If within ninety  
35 days of the date of publication a petition is filed with the county  
36 auditor containing the signatures of eight percent of the number of  
37 voters registered and voting in the port district for the office of  
38 the governor at the last preceding gubernatorial election, the county  
39 auditor must canvass the signatures in the same manner as prescribed  
40 in RCW 29A.72.230 and certify their sufficiency to the port

1 commission within two weeks. The proposition to impose levies over a  
2 second multiyear levy period must be submitted to the voters of the  
3 port district at a special election, called for this purpose, no  
4 later than the date on which a primary election would be held under  
5 RCW 29A.04.311. The levies may be made in the second multiyear levy  
6 period only if approved by a majority of the voters of the port  
7 district voting on the proposition.

8 (3) In addition, if voters approve a ballot proposition  
9 authorizing additional levies by a simple majority vote, a port  
10 district located in a county bordering on the Pacific Ocean having  
11 adopted a comprehensive scheme of harbor improvements and industrial  
12 developments may impose a third levy for a period that may not exceed  
13 six years. The levy rate in any year may not exceed forty-five cents  
14 per thousand dollars of assessed value. Except for the initial levy  
15 in the third levy period, RCW 84.55.010 applies to the tax authorized  
16 in this subsection.

17 (4) The levy of such taxes under this section is authorized  
18 notwithstanding the provisions of RCW 84.52.043 and 84.52.050. The  
19 revenues derived from levies made under this section not expended in  
20 the year in which the levies are made may be paid into a fund for  
21 future use in carrying out the powers granted under chapter 53.25  
22 RCW, which fund may be accumulated and carried over from year to  
23 year, with the right to continue to levy the taxes provided for under  
24 this section for the purposes herein authorized.

25 (5) In the event a levy authorized in this section produces  
26 revenue in excess of the requirements to complete the projects of a  
27 port district then provided for in its comprehensive scheme of harbor  
28 improvements and industrial developments or amendments thereto, the  
29 excess must be used solely for the retirement of general obligation  
30 bonded indebtedness.

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

34 (b) A port district that levied the tax authorized under RCW  
35 53.36.100 for taxes collected in 2015 as part of the initial six-year  
36 period may levy the tax authorized under this section for a second  
37 and third multiyear levy period in accordance with this section after  
38 the initial six-year levy period under RCW 53.36.100.

39 (c) A port district that levied the tax authorized under RCW  
40 53.36.100 for taxes collected in 2015 as part of the second six-year

1 period may levy the tax authorized under this section for a third  
2 multiyear levy period in accordance with this section after the  
3 second six-year levy period under RCW 53.36.100.

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

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

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

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

19 (1) A port commission may, after a public hearing thereon, of  
20 which at least ten days' notice (~~shall~~) must be published in a  
21 newspaper of general circulation in the port district, create  
22 industrial development districts within the district and define the  
23 boundaries thereof, if it finds that the creation of the industrial  
24 development district is proper and desirable in establishing and  
25 developing a system of harbor improvements and industrial development  
26 in the port district.

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

33 (b) As to any land area to be deleted under this subsection that  
34 was acquired or improved by the port district with funds obtained  
35 through RCW 53.36.100 or section 1 of this act, the port district  
36 (~~shall~~) must deposit funds equal to the fair market value of the  
37 lands and improvements into the fund for future use described in RCW  
38 53.36.100 or section 1 of this act and such funds (~~shall be~~) are  
39 thereafter subject to RCW 53.36.100 or section 1 of this act. The

1 fair market value of the land and improvements (~~shall~~) must be  
2 determined as of the effective date of the port commission action  
3 deleting the land from the industrial development district and  
4 (~~shall~~) must be determined by an average of at least two  
5 independent appraisals by professionally designated real estate  
6 appraisers (~~as defined in RCW 74.46.020~~) or licensed real estate  
7 brokers. The funds (~~shall~~) must be deposited into the fund for  
8 future use described in RCW 53.36.100 within ninety days of the  
9 effective date of the port commission action deleting the land area  
10 from the industrial district. Land areas deleted from an industrial  
11 development district under this subsection (~~shall~~) are not (~~be~~)  
12 further subject to the provisions of this chapter. This subsection  
13 (~~shall apply~~) applies to presently existing and future industrial  
14 development districts. Land areas deleted from an industrial  
15 development district under this subsection that were included within  
16 such district for less than two years, if the port district acquired  
17 the land through condemnation or as a consequence of threatened  
18 condemnation, (~~shall~~) must be offered for sale, for cash, at the  
19 appraised price, to the former owner of the property from whom the  
20 district obtained title. Such offer (~~shall~~) must be made by  
21 certified or registered letter to the last known address of the  
22 former owner. The letter (~~shall~~) must include the appraised price  
23 of the property and notice that the former owner must respond in  
24 writing within thirty days or lose the right to purchase. If this  
25 right to purchase is exercised, the sale (~~shall~~) must be closed by  
26 midnight of the sixtieth day, including nonbusiness days, following  
27 close of the thirty-day period.

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

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

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

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

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

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

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

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

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