

# HOUSE BILL REPORT

## SHB 1347

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**As Passed House:**  
March 3, 2017

**Title:** An act relating to the creation of a countywide port district within a county containing no port districts.

**Brief Description:** Concerning the creation of a countywide port district within a county containing no port districts.

**Sponsors:** House Committee on Local Government (originally sponsored by Representatives Riccelli, Holy and Ormsby).

**Brief History:**

**Committee Activity:**

Local Government: 1/25/17, 2/9/17 [DPS];

Finance: 2/21/17, 2/23/17 [DPS(LG)].

**Floor Activity:**

Passed House: 3/3/17, 81-16.

**Brief Summary of Substitute Bill**

- Authorizes a county with no port district prior to December 31, 2020, to create a countywide port district by a ballot proposition and elect the initial port commissioners at the next general election instead of at the same election as when the ballot proposition is submitted to voters to form the district.
- Prohibits port districts from levying taxes until after the election of port commissioners.

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### HOUSE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 4 members: Representatives Appleton, Chair; McBride, Vice Chair; Gregerson and Peterson.

**Minority Report:** Do not pass. Signed by 2 members: Representatives Pike, Assistant Ranking Minority Member; Taylor.

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*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.*

**Minority Report:** Without recommendation. Signed by 1 member: Representative Griffey, Ranking Minority Member.

**Staff:** Desiree Omli (786-7383).

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## HOUSE COMMITTEE ON FINANCE

**Majority Report:** The substitute bill by Committee on Local Government be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Lytton, Chair; Frame, Vice Chair; Nealey, Ranking Minority Member; Dolan, Pollet, Springer, Stokesbary, Wilcox and Wylie.

**Minority Report:** Do not pass. Signed by 2 members: Representatives Orcutt, Assistant Ranking Minority Member; Condotta.

**Staff:** Richelle Geiger (786-7139).

### **Background:**

#### Port Districts.

Port districts are special purpose districts with the authority to impose property tax levies. Port districts may take up an entire single county, or may be less than countywide. A port district is authorized to acquire, construct, maintain, operate, develop, and regulate harbor improvements, commercial development, and rail, motor vehicle, water, and air transfers and terminal facilities.

#### Formation of Countywide Port Districts.

Countywide port districts may be created by a ballot proposition that is submitted directly to county voters for their approval or rejection if either: (1) the county legislative authority adopts a resolution to submit a ballot proposition; or (2) county voters sign a petition allowing for a ballot proposition to be submitted. The number of signatures needed on the petition must be equal to at least 10 percent of the number of county voters who voted in the last general county election. The petition must be filed with the county auditor. Once it is certified, the county auditor returns it to the county legislative authority, who either submits the proposition at the next general election or calls a special election.

There are three commissioners in each port district. The initial port commissioners must be elected at the same election as when the ballot proposition is submitted to voters to authorize the creation of the port district. There is no primary election and the individuals with the majority of votes will be the initial port commissioners.

### **Summary of Substitute Bill:**

Prior to December 31, 2020, a county with no port district may create a countywide port district by a ballot proposition submitted to the voters authorizing the port district to be created. In these elections, all of the procedures to form a countywide port district must be followed, except that the initial port commissioners are not required to be elected at the same election as when the ballot proposition is submitted to voters. Rather, the initial

commissioners may be elected at the next general election. In addition, a countywide port district created in an election separate from the election of initial port commissioners may not levy taxes until after the election of the port commissioners for that port district. These provisions expire on December 31, 2020.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony (Local Government):**

(In support) This is a narrowly crafted bill. There are many private companies and local governments in Spokane working together to try to create a port authority within Spokane county. Port authorities support local economies by developing and maintaining industrial properties, transportation facilities, and economic development opportunities. A split election, where voters authorize a port authority in one election and port commissioners in the next, would avoid any distraction in the election of port commissioners. About 30 years ago, Spokane tried to create a port commission under the existing statute only to have the port commissioners vow to eliminate the port authority. In 2014 the Legislature passed the same split election provision for a less-than-countywide port authority election, and this is for a countywide district.

(Opposed) None.

**Staff Summary of Public Testimony (Finance):**

(In support) The bill would benefit six counties. Spokane County is the only county pursuing the legislation. The bill is narrowly crafted and taxes could only be collected after the commissioners are elected. Thirty years ago, Spokane County put a port authority on the ballot, and the only people who ran for port commissioner were those who didn't want the port authority to be established.

Many businesses and local governments are working together to put a port authority on the ballot. Port districts are the best tool the state has to develop industrial properties, transportation facilities, and economic opportunities.

(Opposed) None.

**Persons Testifying (Local Government):** Jim Hedrick, Greater Spokane Incorporated.

**Persons Testifying (Finance):** Jim Hedrick, Greater Spokane Incorporated.

**Persons Signed In To Testify But Not Testifying (Local Government):** None.

**Persons Signed In To Testify But Not Testifying (Finance):** None.