

FINAL BILL REPORT

HB 1257

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Synopsis as Enacted

Brief Description: Concerning the authority of cargo and passenger ports.

Sponsors: Representatives Hackney, Abbarno and Reed.

House Committee on Transportation
Senate Committee on Transportation

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. There are currently 74 districts in existence, located in 33 of the 39 counties in the state.

Port District Funds.

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 of taxable property in the district. Levies for dredging, canal construction, land leveling or filling purposes, and for industrial development 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

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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 these powers, the districts may jointly acquire lands, property, property rights, leases, or easements necessary for their purposes that are either wholly or partially within their 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, federally recognized tribes, and other states' political subdivisions.

Antitrust Exemptions.

Pursuant to the federal Shipping Act of 1984, ocean common carriers, ports, and other entities involved in commercial shipping, who wish to act collectively, may file an agreement with the Federal Maritime Commission (FMC). Once the agreement is approved by the FMC, the ports are immune from claims arising from federal antitrust laws.

State actions are immune from federal antitrust laws, under the state action doctrine, when the conduct is in furtherance of a clearly articulated state policy. States are allowed to extend this antitrust immunity to local governments, if there is a clear statement of an intent to do so and the extension advances the interests of the state.

Summary:

Port districts that provide or seek to provide certain marine operations are allowed to meet, coordinate, and implement actions on issues of mutual interest regarding the movement of cargo and passengers, when those meetings are conducted under an agreement filed with the Federal Maritime Commission, including:

- rates and charges;
- rules, practices, and procedures;
- matters concerning their facilities; and
- other related matters.

A specific reference is made to allowing these activities without liability under federal

antitrust law.

The authority provided to certain port districts expires after 10 years.

Votes on Final Passage:

House	97	0	
Senate	49	0	(Senate amended)
House	97	0	(House concurred)

Effective: July 23, 2023