

HOUSE BILL REPORT

HB 3281

As Passed House:
February 15, 2008

Title: An act relating to public notification of industrial development levies by port districts.

Brief Description: Requiring public notification of industrial development levies by port districts.

Sponsors: By Representatives Seaquist, Rolfes, Lantz, Appleton and Santos.

Brief History:

Committee Activity:

Local Government: 2/1/08, 2/5/08 [DP].

Floor Activity:

Passed House: 2/15/08, 93-1.

Brief Summary of Bill

- Imposes additional public notice requirements that must be provided by a port district before it can impose special tax levies for the funding of harbor improvements.

HOUSE COMMITTEE ON LOCAL GOVERNMENT

Majority Report: Do pass. Signed by 7 members: Representatives Simpson, Chair; Takko, Vice Chair; Warnick, Ranking Minority Member; Schindler, Assistant Ranking Minority Member; Eddy, Nelson and Schmick.

Staff: Thamas Osborn (786-7129).

Background:

General Powers and Authorities of Port Districts

Port districts (districts) are authorized for the purpose of acquisition, construction, maintenance, operation, development, and regulation within the district of harbor improvements, rail or motor vehicle transfer and terminal facilities, water and air transfer and terminal facilities, or any combination of these facilities. A district may also, through its

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commission, spend money and conduct promotions of resources and facilities within the district or general area through advertising, publicizing, or marketing.

Among the general powers granted to districts are the following:

- to acquire land, property, leases, and easements;
- to condemn property and exercise the power of eminent domain;
- to develop lands for industrial and commercial purposes;
- to impose taxes, rates, and charges;
- to sell or otherwise convey rights to property; and
- to construct and maintain specified types of park and recreation facilities.

Port District Taxing Authority for Industrial Development Purposes

In addition to all other revenues now authorized, a district that has adopted a plan for harbor improvements and industrial development may raise revenue for a *six-year period* by an annual tax levy not to exceed 45 cents per \$1,000 of assessed value against the assessed valuation of the taxable property in such port district. These levies must be used exclusively for harbor improvements in accordance with specified requirements, including the following:

- the district must adopt a comprehensive scheme for harbor improvement within the district;
- specified notice must be provided to the public;
- the development of the harbor improvements cannot begin until the comprehensive scheme has been approved by the port commission; and
- payment for the harbor improvement may be made, in part, by assessments against property that is specially benefitted by such improvements.

Voter Approval of Tax Levies Beyond the Initial Six-Year Period

In addition, the harbor improvement tax levy may be continued for up to *six additional years*, provided the requisite notice of the district's intention is provided to the public by June 1 of each year that the district proposes the extension of the levy beyond the initial six-year period. The notice must be made in one or more newspapers of general circulation within the district. If the registered voters submit a petition meeting specified requirements, a special election must be held at which the voters are given the opportunity to approve or disapprove any extension of the tax levy beyond the initial six-year period. The levies may be made in the seventh through the 12th year only if approved by a majority of the voters of the port district voting on the proposition.

Summary of Bill:

A district must comply with additional public notice requirements before it can impose tax levies for the funding of harbor improvements. These additional requirements include the following:

- the port commission must hold a public hearing within 20 days of the public notice of its intention to impose a tax levy for the funding of harbor improvements;

- public notice of the hearing must be provided in the local official newspaper of record at least 10 days prior to the date of the hearing;
- the public notice must contain the date, time, and place of the hearing and must clearly state that the port district intends to levy a harbor improvement tax; and
- public notice of a district's intention to levy the tax beyond the initial six-year period must clearly state that the voters have a right to approve or disapprove the extension of the tax levy through a ballot proposition initiated through a voter petition.

Appropriation: None.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

(In support) This bill should be viewed in the context of other port district bills intended to create greater transparency with respect to the decisions, policies, and procedures of the ports. Current law is inadequate with respect to the public notice requirements for tax increases by the ports. Citizens are entitled to better notice of proposed port tax levies and should be given a more meaningful opportunity to be heard. This bill would provide both of these things. The Port of Bremerton recently imposed a tax levy for industrial development that most citizens were unaware of until it was too late. The voters were unhappy about it and they reacted by voting down a school tax levy that might otherwise have passed.

(Opposed) None.

Persons Testifying: Representative Seaquist, prime sponsor.

Persons Signed In To Testify But Not Testifying: None.