

# HOUSE BILL REPORT

## HB 1848

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### As Reported By House Committee On:

Local Government

**Title:** An act relating to clarifying the authority of port districts to exercise powers within and outside their territorial limits.

**Brief Description:** Clarifying the authority of port districts.

**Sponsors:** Representatives Grant, Mastin and Dunn.

### Brief History:

#### Committee Activity:

Local Government: 2/24/99, 3/1/99 [DPS].

#### Brief Summary of Substitute Bill

- A port district that is located in a county that has contiguous borders with another state and a population between 50,000 and 70,000 may jointly promote trade or industry with a municipal corporation of another state.

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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 8 members: Representatives Mulliken, Republican Co-Chair; Scott, Democratic Co-Chair; Doumit, Democratic Vice Chair; Mielke, Republican Vice Chair; Edwards; Ericksen; Fisher and Fortunato.

**Staff:** Scott MacColl (786-7106).

### Background:

#### *Port District Powers*

Port 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 port district may also, through its

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

The Washington Constitution expressly states in Article VIII, Section 8, that the use of public funds by port districts for industrial development or trade promotion is deemed a public use for a public purpose.

### ***Port District Interlocal Cooperation Agreements***

Port districts may jointly exercise powers with any other port district to jointly acquire lands, property, property rights, leases, or easements necessary for port district purposes, either within or without the county(s) where the districts are located. A district may also enter into a contract with the United States or any state, county, or municipal corporation for carrying out any agreed duties.

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

A port district located in a county with contiguous borders with another state and a population between 50,000 and 70,000 is authorized to exercise industrial development or trade promotion powers outside district or state boundaries or to exercise joint authority with another port district or in cooperation with other public agencies.

### ***Port District Powers***

A port district located in a county with contiguous borders with another state and a population between 50,000 and 70,000 is expressly authorized to exercise its powers through an interlocal cooperation agreement outside the boundaries of Washington in whole or only in part. This authority must be made by resolution of the port district commission and may only be adopted after a public hearing. Notice for the public hearing must be published in a newspaper within the district at least 10 days in advance.

### ***Port District Interlocal Cooperation Agreements***

Port districts located in a county with contiguous borders with another state and a population between 50,000 and 70,000 are authorized to enter into interlocal cooperation agreements with municipal corporations of adjoining states, as well as entities currently in statute, to operate within or outside the district. The authority to execute the promotion or development of trade or industry outside the boundaries of the state is also expressly stated.

This authority may only be granted when a notice of public hearing has been published at least 10 days in advance in a newspaper within the district and pursuant to findings and a resolution of the port district commissioners. The finding must state that:

- the district's participation will substantially benefit the district and the state; and
- the district's share of the cost will not exceed an amount calculated by dividing the total cost of the undertaking by the number of participants.

**Substitute Bill Compared to Original Bill:** Authority is narrowed to a port district that is located in a county that has contiguous borders with another state, and a population between 50,000 and 70,000.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date of Substitute Bill:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** (Original bill) This bill will create job opportunities for residents of port districts. A call center was going to move in to Milton-Freewater, Oregon, 10 miles southwest of Walla Walla, and the city of Milton-Freewater asked for the assistance of the Port of Walla Walla. The economies of the two cities are intertwined, as 60 percent of the new business's employees would come from the Walla Walla community. This is an important tool for economic development in rural communities, as 14 businesses have recently either shut down or downsized in the Walla Walla area. The port lacked the statutory authority to enter into an agreement with Milton-Freewater. As a result, the port had to finance the project with private funding. This authority would be used only as a rare occurrence.

**Testimony Against:** None.

**Testified:** Jim Kuntz, Port of Walla Walla.