
SENATE BILL 6427

State of Washington

63rd Legislature

2014 Regular Session

By Senators Hasegawa, McCoy, and Chase

Read first time 01/24/14. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to creation of the Puget Sound port authority;
2 amending RCW 53.47.020; adding a new chapter to Title 53 RCW; and
3 providing an effective date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **PART I**

6 **FINDINGS OF POLICY AND PURPOSE**

7 NEW SECTION. **Sec. 101.** LEGISLATIVE INTENT. The legislature finds
8 that a well-developed and maintained, effectively managed, and market-
9 competitive freight transportation port infrastructure is essential to
10 the long-term economic prosperity of the state and its citizens in a
11 global economy. The legislature further finds that integrated capital
12 facilities investment, global marketing, and operational management
13 generate operating efficiencies and economies of scale that provide the
14 best value to taxpayers. It is the intent of the legislature that a
15 Puget Sound port authority meets and exceeds the operational
16 productivity and financial performance metrics of global and domestic
17 peer ports.

1 PART II

2 PUGET SOUND PORT AUTHORITY

3 NEW SECTION. **Sec. 201.** FORMATION. A port district located in a
4 county with a population of one million five hundred thousand persons
5 or more and any port district located in an adjoining county with a
6 population of over five hundred thousand persons shall establish the
7 Puget Sound port authority within one year of the effective date of
8 this section.

9 NEW SECTION. **Sec. 202.** GOVERNANCE. (1) A board of commissioners
10 consisting of eleven nonpartisan commissioners shall govern the Puget
11 Sound port authority.

12 (2) Commissioners are elected and apportioned as follows:

13 (a) Six commissioners apportioned to six geographical districts and
14 elected on a nonpartisan basis. Each commissioner representing a
15 district must be a registered voter residing within that district.
16 Initial apportionment and establishment of district lines must be
17 determined by the county auditors located within the authority within
18 thirty days of the formation of the Puget Sound port authority
19 according to the requirements in (c) of this subsection. Subsequent
20 reapportionment and drawing of district lines must be conducted by the
21 county auditors located within the authority;

22 (b) Five commissioners appointed by the governor with the consent
23 of the senate. The governor's appointments must include individuals
24 who have relevant expertise in international trade, marketing, freight
25 transportation design, construction, operation, and maintenance; and

26 (c) At least two districts must be located primarily in each
27 county. Each district must contain a population, excluding nonresident
28 military personnel, as equal as practicable to the population of any
29 other district. To a reasonable extent, each district must contain
30 contiguous territory, be compact, and be convenient.

31 (3) Commissioners, including those appointed by the governor, shall
32 serve six-year terms of office, except that two of the initially
33 elected commissioners representing a district shall serve a two-year
34 term of office and two of the initially elected commissioners
35 representing a district shall serve four-year terms. The governor
36 shall designate which districts have commissioners that serve two-year,

1 four-year, and six-year terms. The first election for commissioners
2 must be held at the general election following the formation of the
3 Puget Sound port authority, consistent with Title 29A RCW.

4 (4) The commissioners shall: Organize, by the election of its own
5 members, a president and secretary; by resolution, adopt rules
6 governing the transaction of its business; and adopt an official seal.
7 Only an elected commissioner may serve as president or secretary. All
8 proceedings of the Puget Sound port authority commission must be by
9 motion or resolution recorded in a book or books kept for such purpose,
10 which must be public records.

11 (5) Vacancies in positions appointed by the governor must be filled
12 by appointment of the governor. Vacancies in elected positions must be
13 filled by a person approved by a majority of the remaining
14 commissioners who shall serve until the vacancy is filled at the next
15 general election held more than one hundred eighty days after the date
16 the vacancy is filled on an interim basis. The person appointed to
17 fill a vacancy shall serve for the remainder of the unexpired term of
18 the office to which he or she was appointed.

19 (6) If a commissioner is appointed by the governor, the governor
20 may only reappoint a commissioner to one additional six-year term of
21 office.

22 NEW SECTION. **Sec. 203.** POWERS AND PURPOSES. A Puget Sound port
23 authority is hereby granted all powers and purposes consistent with
24 those in this title as now or hereafter amended.

25 NEW SECTION. **Sec. 204.** DISSOLUTION OF PORT DISTRICTS WITHIN THE
26 PUGET SOUND PORT AUTHORITY. After establishment of the Puget Sound
27 port authority under section 201 of this act, any port district located
28 within the boundaries of the Puget Sound port authority must be
29 dissolved pursuant to the applicable provisions of chapter 53.47 RCW.

30 **Sec. 205.** RCW 53.47.020 and 1971 ex.s. c 162 s 2 are each amended
31 to read as follows:

32 A port district shall be deemed inactive if, at the time of the
33 filing of the petition for dissolution with the clerk of the superior
34 court of the county in which such port district is situated, such port

1 has failed to comply with (~~(subdivision)~~) subsection (1), (2), (~~(or)~~)
2 (3), or (4) of this section.

3 (1) The port district has failed to file its budget with the board
4 of county commissioners or, in the case of home rule charters, the
5 appropriate governing body for the two fiscal years immediately
6 preceding the date of filing such petition, and the port district,
7 having been in existence for two years or more, has failed to adopt its
8 comprehensive plan of harbor improvement and/or industrial development
9 as provided by statute, and does not presently own or has not leased
10 within two years prior to the filing of such petition, real property
11 for use for port purposes.

12 (2) The port district does not presently own or has not leased or
13 owned real property for use for port purposes within the four calendar
14 years prior to the filing of such petition.

15 (3) The port district has not filed its budget with the board of
16 county commissioners or, in the case of home rule charters, the
17 appropriate governing body for the two fiscal years immediately
18 preceding the filing of said petition has not adopted its comprehensive
19 plan of harbor improvement and/or industrial development as provided by
20 statute, and has not met with a legal quorum at least twice in the last
21 two calendar years prior to the filing of such petition.

22 (4) The port district is located within the boundaries of the Puget
23 Sound port authority established under section 201 of this act.

24 NEW SECTION. Sec. 206. COMMISSIONER COMPENSATION. Each
25 commissioner must receive an annual salary equal to the annual salary
26 of a county councilmember located in a county with a population of one
27 million five hundred thousand persons or more. A commissioner may
28 waive all or a portion of his or her compensation under this section
29 during his or her term of office, by a written waiver filed with the
30 secretary of the commission.

31 NEW SECTION. Sec. 207. CONSOLIDATION OF OVERSEAS OFFICES. A
32 Puget Sound port authority shall coordinate with the overseas trade
33 offices within the department of commerce and establish a plan to
34 consolidate trade offices with the Puget Sound port authority.

1 NEW SECTION. **Sec. 301.** TREASURER. (1) A Puget Sound port
2 authority, by resolution, shall designate a person with experience in
3 financial or fiscal matters as treasurer of the authority. The
4 commission may designate the treasurer of any county within which the
5 authority is located to act as its treasurer. The designated treasurer
6 has all of the powers, responsibilities, and duties the county
7 treasurer has related to investing surplus funds. The authority shall
8 require a bond with a surety company authorized to do business in this
9 state in an amount and under the terms and conditions the authority, by
10 resolution, from time to time finds will protect the authority against
11 loss. The authority shall pay the premium on the bond.

12 (2) If the treasurer of the authority is also the treasurer of a
13 county, all authority funds must be deposited with a county depository
14 under the same restrictions, contracts, and security as provided for
15 county depositories. If the treasurer of the authority is not the
16 treasurer of a county, all funds must be deposited in a bank or banks
17 that are authorized to do business in this state and are qualified for
18 insured deposits under any federal deposit insurance act as the
19 authority, by resolution, designates, or funds must be invested in
20 legal investments for counties.

21 (3) The authority may provide and require a reasonable bond of any
22 other person handling money or securities of the authority, but the
23 authority shall pay the premium on the bond.

24 NEW SECTION. **Sec. 302.** TAX LEVY--LIMITATION. The Puget Sound
25 port authority may raise revenue by levy of an annual tax not to exceed
26 forty-five cents per thousand dollars of assessed value against the
27 assessed valuation of the taxable property in the authority boundaries.
28 Any levy collected under this section may be used solely for capital
29 improvements, and levy revenue may not be used for operations of the
30 authority. The levy must be made and taxes collected in the manner
31 provided for the levy and collection of taxes in school districts of
32 the first class.

33 NEW SECTION. **Sec. 303.** PAYMENT OF CLAIMS--USE OF WARRANTS AND
34 CHECKS. The Puget Sound port authority that acts as its own treasurer
35 as provided in section 301 of this act may by resolution adopt a policy
36 for the payment of claims or other obligations of the authority, which

1 are payable out of solvent funds, electing either to pay obligations by
2 warrant or by check. However, a check may not be issued when the
3 applicable fund is not solvent at the time payment is ordered, but a
4 warrant must be issued instead. When checks are to be used, the
5 commission shall designate the qualified public depository where checks
6 are to be drawn, and the officers authorized or required to sign
7 checks. Wherever in this title reference is made to warrants, the term
8 includes checks authorized by this section.

9 NEW SECTION. **Sec. 304.** INDEBTEDNESS--LIMITATION. (1) The Puget
10 Sound port authority may at any time contract indebtedness or borrow
11 money for authority purposes and may issue general obligation bonds
12 therefor not exceeding an amount, together with any existing
13 indebtedness of the authority not authorized by the voters, of one-
14 fourth of one percent of the value of the taxable property in the
15 district.

16 (2) With the assent of three-fifths of the voters voting thereon at
17 a general or special port authority election called for that purpose,
18 the Puget Sound port authority may contract indebtedness or borrow
19 money for authority purposes and may issue general obligation bonds
20 therefor provided the total indebtedness of the authority at any such
21 time shall not exceed three-fourths of one percent of the value of the
22 taxable property in the authority.

23 (3) Any port district may issue general district bonds evidencing
24 any indebtedness, payable at any time not exceeding fifty years from
25 the date of the bonds. Any contract for indebtedness or borrowed money
26 authorized by RCW 53.36.030(1)(b) must not exceed twenty-five years.
27 The bonds must be issued and sold in accordance with chapter 39.46 RCW.

28 (4) Elections required under this section must be held as provided
29 in RCW 39.36.050.

30 (5) This section does not apply to a loan made under a loan
31 agreement under chapter 39.69 RCW, and a computation of indebtedness
32 under this chapter must exclude the amount of a loan under such a loan
33 agreement.

34 NEW SECTION. **Sec. 305.** (1) The Puget Sound port authority is
35 hereby authorized, prior to the receipt of taxes raised by levy, to
36 borrow money or issue the warrants of the authority in anticipation of

1 the revenues to be derived by such authority and such warrants must be
2 redeemed from the first money available from such taxes when collected.
3 Such warrants may be in any form, including bearer warrants or
4 registered warrants as provided in RCW 39.46.030.

5 (2) Notwithstanding subsection (1) of this section, such warrants
6 may be issued and sold in accordance with chapter 39.46 RCW.

7 NEW SECTION. **Sec. 306.** The designated treasurer acting as Puget
8 Sound port authority treasurer shall create a fund to be known as the
9 "Puget Sound port authority fund," into which must be paid all money
10 received by him or her from the collection of taxes on behalf of such
11 port authority, and shall also maintain such other special funds as may
12 be created by the commission into which must be placed such moneys as
13 the commission may by its resolution direct. All such port authority
14 funds must be deposited with the county depositories under the same
15 restrictions, contracts, and security as is provided by statute for
16 county depositories and all interest collected on such port authority
17 funds must belong to the Puget Sound port authority and must be
18 deposited to its credit in the proper authority funds. Any portion of
19 such authority moneys determined by the commission to be in excess of
20 the current needs of the authority may be invested by the county
21 treasurer in accordance with RCW 36.29.020 and 36.29.022 and chapter
22 39.59 RCW, and all interest collected thereon must likewise belong to
23 the authority and must be deposited to its credit in the proper
24 authority funds.

25 NEW SECTION. **Sec. 307.** The commission of the Puget Sound port
26 authority may, by resolution, create an incidental expense fund in such
27 amount as the commission may direct. Such incidental expense fund may
28 be kept and maintained in a bank or banks designated in the resolution
29 creating the fund, and such depository must be required to give bonds
30 or securities to the authority for the protection of such incidental
31 expense fund, in the full amount of the fund authorized by the
32 resolution. Vouchers must be drawn to reimburse the incidental expense
33 fund and such vouchers must be approved by the commission. Transient
34 labor, freight, express, cartage, postage, petty supplies, and minor
35 expenses of the authority may be paid from the incidental expense fund
36 and all such disbursements therefrom must be by check of the authority

1 auditor or such other officer as the commission must by resolution
2 direct. All expenditures from the incidental expense fund must be
3 covered by vouchers drawn by the authority auditor and approved by the
4 manager or such other officer of the authority as the commission may by
5 resolution direct. The officer disbursing the fund is required to give
6 bond to the authority in the full authorized amount of the incidental
7 expense fund for the faithful performance of his or her duties in
8 connection with the disbursement of moneys from the fund.

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PART IV
MISCELLANEOUS PROVISIONS

11 NEW SECTION. **Sec. 401.** APPLICABILITY OF PUBLIC LAWS. The Puget
12 Sound port authority, its officers, and the board of commissioners,
13 created under this act, are subject to the general laws regulating
14 local governments and local governmental officials including, but not
15 limited to, applicable requirements under chapters 42.17A, 42.23,
16 42.30, 42.41, and 43.09 RCW.

17 NEW SECTION. **Sec. 402.** Sections 101, 201 through 204, 206 through
18 208, 301 through 307, 401, and 403 through 405 of this act constitute
19 a new chapter in Title 53 RCW.

20 NEW SECTION. **Sec. 403.** If any provision of this act or its
21 application to any person or circumstance is held invalid, the
22 remainder of the act or the application of the provision to other
23 persons or circumstances is not affected.

24 NEW SECTION. **Sec. 404.** This act shall be liberally construed to
25 effect the policies and purposes of this act.

26 NEW SECTION. **Sec. 405.** This act takes effect July 1, 2014.

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