

HOUSE BILL REPORT

HB 1119

*As Reported By House Committee on:
Trade & Economic Development*

Title: An act relating to increasing port district debt limits.

Brief Description: Allowing port districts to contract for indebtedness.

Sponsor(s): Representatives Rayburn, Brumsickle, Prince, Bowman, Peery, Bray, Ludwig, Lisk and Nealey.

Brief History:

Reported by House Committee on:
Trade & Economic Development, March 5, 1991, DP.

**HOUSE COMMITTEE ON
TRADE & ECONOMIC DEVELOPMENT**

Majority Report: *Do pass.* Signed by 11 members: Representatives Cantwell, Chair; Sheldon, Vice Chair; Forner, Ranking Minority Member; Betrozoff, Assistant Ranking Minority Member; Ferguson; Kremen; Ludwig; Moyer; Rasmussen; Riley; and Roland.

Staff: Bill Watterson (786-7349).

Background: The Legislature authorized port districts in 1911. These port districts are referred to as "special purpose districts" and are governed by elected port commissioners. Port districts are authorized to develop a variety of facilities and services. Most port development is related to transportation and trade development. Examples of these facilities include: marine terminals; storage containers; airports, railroad facilities; industrial development sites; trade centers; and export trading companies.

Port district activities are financed by: charging fees for services and for the use of port property; levying property taxes; issuing municipal bonds and Industrial Revenue Bonds; and receiving grants and gifts. When a port district contracts indebtedness to finance a project, the port must act within certain limitations.

A port district may contract indebtedness through the issue of general obligation bonds. The port may issue non-voter approved general obligation bonds not to exceed an amount, together with similar outstanding bonds, equal to 0.25 percent of the value of the taxable property in the district. With the approval of three-fifths of the voters voting, a port district may issue general obligation bonds until the general indebtedness of the port district reaches 0.75 percent of the value of the taxable property in the district.

Summary of Bill: A port district with a property tax value of less than \$800 million may contract indebtedness and issue non-voter approved general obligation bonds not to exceed an amount, together with existing indebtedness, equal to 0.5 percent of the value of the taxable property in the district.

Fiscal Note: Requested March 5, 1991.

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

Testimony For: The bill will allow smaller port districts, that have reached their debt limit, to expand port facilities which enhance economic growth.

Testimony Against: None.

Witnesses: Representative Margaret Rayburn, Prime Sponsor; Representative Rose Bowman, Sponsor; Dave Rogers, Washington Public Ports Association (supports); Pam Brown, Lewis County Economic Development Council (supports); Gene Groshon, Port of Centralia (supports); Wendy Paulin, Port of Centralia (supports); Dave Fonfara, Sunnyside Incorporated Community Economic Development Program (supports); Tom M. Jermann, Skamania County Economic Development Council (supports); Mary McBride, Palouse Economic Development Council (supports); and Rex Eads, Big Bend Economic Development Council (supports).