

HOUSE BILL REPORT

SHB 2635

As Amended by the Senate

Title: An act relating to port districts.

Brief Description: Authorizing port districts to provide limited consulting services.

Sponsors: By House Committee on Trade & Economic Development (originally sponsored by Representatives Pettigrew, Skinner, Jarrett, Clibborn, McDonald, Veloria, Anderson, Chase, Morrell and Rockefeller).

Brief History:

Committee Activity:

Trade & Economic Development: 1/27/04, 2/5/04 [DPS].

Floor Activity:

Passed House: 2/13/04, 95-0.

Senate Amended.

Passed Senate: 3/4/04, 45-0.

Brief Summary of Substitute Bill

- Authorizes port districts to provide consulting services and receive compensation for such services.

HOUSE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Veloria, Chair; Skinner, Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Blake, Chase, Condotta, Kristiansen, McCoy, Ormsby, Pettigrew, Priest and Rodne.

Staff: Tracey Taylor (786-7196).

Background:

Washington has the largest locally controlled port system in the world with 76 ports in 33 of the state's 39 counties. The primary purpose of a port district is to promote economic development and they are authorized to acquire, construct, maintain, operate, develop and regulate within the district harbor improvements, rail or motor vehicle transfer and

terminal facilities and other commercial transportation, transfer, handling, storage and terminal facilities, and industrial improvements.

The port districts are authorized to levy a tax of up to \$0.45 per \$1,000 of assessed value on property in the port district. The port district may also generate revenue through the lease or rental of warehouses or office buildings, proceeds from bond sales for capital project construction, and grants and gifts.

Summary of Substitute Bill:

A port district is authorized to provide consulting services on matters within their statutory jurisdiction only to governments and public agencies. The port district may receive compensation for these consulting services. The port must maintain a roster of firms interested in taking advantage of the opportunities that result from the consultant work. The bill does not authorize direct competition with private business. The bill sunsets July 1, 2008.

EFFECT OF SENATE AMENDMENT(S):

The amendment eliminates the sunset review. It also expires the act on July 1, 2008.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on February 5, 2004.

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

Testimony For: Our ports have developed unique knowledge and expertise in highly specialized areas. Some of the ports have been solicited for help and advice by other governments and agencies. They have made an effort to provide these services on a goodwill basis; however, they must make the decision based on the ability to afford the costs associated with providing consulting services within their existing funds. This bill would allow the ports to recoup costs should they provide consulting assistance, not authorizing a "new line of business." In addition, it would also provide an opportunity for Washington companies, as the ports can identify new opportunities based on their consulting work. The consulting work would primarily be done in the initial or conceptual stage as a government or agency evaluates a change in a line of business or develops a new line of business. Thus, a consortium of Washington vendors could be marshaled as the port could identify the needs of a project. Internationally and nationally, other ports are receiving compensation for their consulting services.

Testimony Against: The intent to leverage the ports' expertise is good; however, the broad scope of the bill does not protect against unfair competition. There are no assurances in the bill regarding the openness of the potential pool of firms that could take benefit from the ports' consulting work.

Persons Testifying: (In Support) Representative Pettigrew, prime sponsor; Pat Jones, Washington Public Ports Association; Linda Stout, Port of Seattle; and Steve Sewell, Parsons Brinckerhoff.

(With Concerns) Jerry Smedes, Northwest Environmental Business Council.

Persons Signed In To Testify But Not Testifying: None.