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HOUSE BILL 3034

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State of Washington                      60th Legislature                      2008 Regular Session

By Representatives Linville, Bailey, Ericksen, Flannigan, Darneille, Seaquist, Pettigrew, and Kelley

Read first time 01/21/08. Referred to Committee on Community & Economic Development & Trade.

1            AN ACT Relating to encouraging private investment in port terminal  
2 facilities with tax incentives to local governments; adding a new  
3 section to chapter 82.32 RCW; and creating a new section.

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

5            NEW SECTION.    **Sec. 1.** The legislature finds that port terminal  
6 infrastructure has traditionally been financed through taxpayer funded  
7 public investments. However, the legislature further finds that  
8 alternative port terminal financing arrangements that utilize private  
9 investments are becoming more common.

10           The legislature further recognizes that many proposed port terminal  
11 projects in Washington state are never developed because public  
12 financing is not feasible. The legislature believes that if private  
13 financing was available, many of the proposed projects would move  
14 forward bringing new jobs and industries to Washington state.

15           The purpose of this act is to further develop Washington state's  
16 shipping and freight industry by encouraging private investment in port  
17 terminal facilities.

1        NEW SECTION.    **Sec. 2.**    A new section is added to chapter 82.32 RCW  
2 to read as follows:

3        (1) Subject to the requirements of this section, the estimated  
4 taxes collected under chapters 82.08 and 82.12 RCW on the sale or use  
5 of tangible personal property and labor and services used in the  
6 construction of a qualified port terminal, less any credits allowed for  
7 local governments, shall be distributed to a county or city within  
8 which a qualified port terminal is located.

9        (2) To receive distributions under this section, the city or county  
10 must:

11        (a) Submit an application to the department of community, trade,  
12 and economic development prior to the initiation of construction of the  
13 port terminal. The application shall be in a form and manner required  
14 by the department of community, trade, and economic development, but  
15 must include information that verifies that: (i) The construction of  
16 the port terminal is reasonably estimated to exceed one hundred fifty  
17 million dollars; and (ii) the date construction of the port terminal is  
18 expected to be completed. The department of community, trade, and  
19 economic development shall rule on the application within forty-five  
20 days;

21        (b) Submit an expenditure plan to the department of community,  
22 trade, and economic development within one hundred twenty days of the  
23 submittal of the application under (a) of this subsection. The plan  
24 must be developed in consultation with any port authorities, tribal  
25 governments, or other local governments in close proximity to the  
26 proposed project as well as private entities involved with the  
27 qualified port terminal's development and operation. The plan must  
28 specify the use of funds distributed under this section, subject to (c)  
29 of this subsection. The department of community, trade, and economic  
30 development shall notify the city or county of any deficiencies in the  
31 expenditure plan within ninety days of the plan's submittal;

32        (c) Use any distributions under this section exclusively for public  
33 infrastructure needs related to the qualified port terminal including,  
34 but not limited to: Street and road construction necessary to access  
35 and service the new terminal; rail construction necessary to access and  
36 service the new terminal; water and sewer system construction;  
37 construction of facilities for emergency services; construction of

1 storm water and drainage management systems; and environmental impact  
2 mitigation.

3 (3) The department of revenue shall distribute funds under this  
4 section annually at no cost to the city or county receiving such funds.  
5 Funds shall be distributed to a city or county by July 1st of each  
6 year, beginning in the state fiscal year following the fiscal year in  
7 which initiation of construction of the port terminal begins. The  
8 department of revenue may not distribute funds under this section for  
9 constructing occurring after the date of completion specified in  
10 subsection (2)(a)(ii) of this section has elapsed; however, the  
11 department of revenue, in consultation with the department of  
12 community, trade, and economic development, may extend the date of  
13 completion for good cause shown.

14 (4) The definitions in this subsection apply to this section.

15 (a) "Port terminal" means a facility for cargo related maritime  
16 activities.

17 (b) "Qualified port terminal" means a port terminal constructed  
18 after the effective date of this act that is reasonably estimated to  
19 cost over one hundred fifty million dollars to construct.

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