

# HOUSE BILL REPORT

## SB 6132

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### As Passed House:

March 6, 2026

**Title:** An act relating to authorizing a narrow modification to indebtedness limits for select inland port districts to ensure continued eligibility for federal funding for rail, power, and other critical public infrastructure improvements.

**Brief Description:** Authorizing a narrow modification to indebtedness limits for select inland port districts to ensure continued eligibility for federal funding for rail, power, and other critical public infrastructure improvements.

**Sponsors:** Senators Warnick and Valdez.

### Brief History:

#### Committee Activity:

Local Government: 2/24/26, 2/25/26 [DP].

#### Floor Activity:

Passed House: 3/6/26, 95-0.

### Brief Summary of Bill

- Allows a port district that has established a tax increment financing area and which meets specified requirements to contract additional indebtedness, borrow money, and issue general obligation bonds up to 0.25 percent of the value of the taxable property in the port district without voter approval.

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## HOUSE COMMITTEE ON LOCAL GOVERNMENT

**Majority Report:** Do pass. Signed by 7 members: Representatives Duerr, Chair; Zahn, Vice Chair; Klicker, Ranking Minority Member; Stuebe, Assistant Ranking Minority Member; Griffey, Hall and Parshley.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

**Staff:** Elizabeth Rehn (786-7129).

**Background:**

Port Districts.

Port districts are special purpose districts empowered to acquire, construct, maintain, operate, develop, and regulate harbor improvements; rail or motor transfer and terminal facilities; water transfer and terminal facilities; air transfer or terminal facilities; other commercial transportation, transfer, handling, storage, and terminal facilities; and industrial improvements.

Port District Indebtedness.

A port district may contract indebtedness or borrow money for district purposes and may also issue general obligation bonds. In combination with other existing indebtedness, general obligation bonds may not exceed 0.25 percent of the value of the taxable property in the district.

Port districts with taxable property less than \$800 million in value during 1991 may issue general obligation bonds, in combination with other existing indebtedness, up to 0.375 percent of the value of taxable property in the district.

If three-fifths of voters voting at a general or special port election approve, a port district may issue general obligations bonds or borrow money if the total indebtedness of the port district does not exceed 0.75 percent of the value of the taxable property in the district.

Additionally, port districts with taxable property less than \$200 million in value and operating a municipal airport may contract indebtedness or borrow money for airport capital improvement purposes, and may issue general obligation bonds up to an additional 0.125 percent of the value of taxable property without voter approval. If three-fifths of voters voting at a general or special port election approve, the port district may contract additional indebtedness and issue general obligation bonds for an additional 0.375 percent if the total indebtedness does not exceed 1.25 percent of the value of taxable property within the district.

Tax Increment Financing.

Tax increment financing (TIF) is a method of allocating a portion of property taxes to finance economic development in urban areas. Typically, under TIF, a local government issues bonds to finance public improvements. To repay its bondholders, the local government is permitted to draw upon regular property tax revenue collected from property owners inside a special district surrounding the site of the public improvements.

**Summary of Bill:**

A port district that meets the following requirements may contract indebtedness, borrow

money, or issue general obligation bonds up to an additional 0.25 percent of the value of the taxable property in the district without voter approval:

- The port district must have created a tax increment finance area (increment area).
- The estimated taxable assessed value within the port district is between \$6 billion and \$7 billion in the calendar year in which the increment area is established.
- The estimated taxable assessed value of the properties within the increment area is less than \$150 million in the calendar year in which the increment area is established.
- Any indebtedness or borrowings must be used for financing public improvements.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony:**

(In support) This rail project has been in the works for many years and applies only to Moses Lake Port District. The port district needs to get funding for the project. So far it has received \$23 million from the state and \$10 million from the federal government. The problem is that inflation has gone through the roof, so the port district had to come back to the Legislature for more cash. That effort was not fruitful, so this is a creative way to get to the end goal. The mention of a tax increment financing area (TIF) is just a way to reference to Moses Lake, it's not part of the bill at all. Moses Lake does have a TIF but those funds are not needed to pay back the debt. Moses Lake has become a hub for industry. There is broad support from industry partners and stakeholders.

(Opposed) None.

**Persons Testifying:** Senator Judy Warnick, prime sponsor; Dan Roach, Port of Moses Lake; and Brant Mayo, Grant County Economic Development Council.

**Persons Signed In To Testify But Not Testifying:** None.