
HOUSE BILL 1170

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64th Legislature

2015 Regular Session

By Representatives Clibborn, Zeiger, Tarleton, Wilcox, Springer, Jinkins, Fey, Kilduff, Fitzgibbon, Gregerson, and Tharinger

Read first time 01/14/15. Referred to Committee on Local Government.

1 AN ACT Relating to the administrative powers of port districts;
2 and amending RCW 35.21.730, 35.21.735, 35.21.740, 35.21.745,
3 35.21.747, 35.21.750, and 35.21.755.

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

5 **Sec. 1.** RCW 35.21.730 and 2002 c 218 s 23 are each amended to
6 read as follows:

7 In order to improve the administration of authorized federal
8 grants or programs, to improve governmental efficiency (~~and~~),
9 services, or operations, or to improve the general living conditions
10 in the urban areas of the state, any city, town, (~~or~~) county, or
11 port district may by lawfully adopted ordinance or resolution:

12 (1) Transfer to any public corporation, commission, or authority
13 created under this section, with or without consideration, any funds,
14 real or personal property, property interests, or services;

15 (2) Organize and participate in joint operations or cooperative
16 organizations funded by the federal government when acting solely as
17 coordinators or agents of the federal government;

18 (3) Continue federally-assisted programs, projects, and
19 activities after expiration of contractual term or after expending
20 allocated federal funds as deemed appropriate to fulfill contracts
21 made in connection with such agreements or as may be proper to permit

1 an orderly readjustment by participating corporations, associations,
2 or individuals;

3 (4) Enter into contracts with public corporations, commissions,
4 and authorities for the purpose of exercising any powers of a
5 community renewal agency under chapter 35.81 RCW; and

6 (5) Create public corporations, commissions, and authorities,
7 including joint creation of a public corporation by two or more port
8 districts pursuant to an agreement for joint or cooperative action
9 pursuant to the interlocal cooperation act, chapter 39.34 RCW, to:
10 Administer and execute federal grants or programs; receive and
11 administer private funds, goods, or services for any lawful public
12 purpose; and perform any lawful public purpose or public function,
13 including, subject to any limitations in this chapter, the exercise
14 of any or all the powers of each of its creating jurisdictions. The
15 ordinance or resolution shall limit the liability of such public
16 corporations, commissions, and authorities to the assets and
17 properties of such public corporation, commission, or authority in
18 order to prevent recourse to such cities, towns, (~~or~~) counties, or
19 port districts or their assets or credit.

20 **Sec. 2.** RCW 35.21.735 and 2007 c 230 s 2 are each amended to
21 read as follows:

22 (1) The legislature hereby declares that carrying out the
23 purposes of federal grants or programs is both a public purpose and
24 an appropriate function for a city, town, county, port district, or
25 public corporation. The provisions of RCW 35.21.730 through 35.21.755
26 and 35.21.660 and 35.21.670 and the enabling authority herein
27 conferred to implement these provisions shall be construed to
28 accomplish the purposes of RCW 35.21.730 through 35.21.755.

29 (2) All cities, towns, counties, port districts, and public
30 corporations shall have the power and authority to enter into
31 agreements with the United States or any agency or department
32 thereof, or any agency of the state government or its political
33 subdivisions, and pursuant to such agreements may receive and expend,
34 or cause to be received and expended by a custodian or trustee,
35 federal or private funds for any lawful public purpose. Pursuant to
36 any such agreement, a city, town, county, port district, or public
37 corporation may issue bonds, notes, or other evidences of
38 indebtedness that are guaranteed or otherwise secured by funds or
39 other instruments provided by or through the federal government or by

1 the federal government or an agency or instrumentality thereof under
2 section 108 of the housing and community development act of 1974 (42
3 U.S.C. Sec. 5308), as amended, or its successor, and may agree to
4 repay and reimburse for any liability thereon any guarantor of any
5 such bonds, notes, or other evidences of indebtedness issued by such
6 jurisdiction or public corporation, or issued by any other public
7 entity. For purposes of this subsection, federal housing mortgage
8 insurance shall not constitute a federal guarantee or security.

9 (3) A city, town, county, port district, or public corporation
10 may pledge, as security for any such bonds, notes, or other evidences
11 of indebtedness or for its obligations to repay or reimburse any
12 guarantor thereof, its right, title, and interest in and to any or
13 all of the following: (a) Any federal grants or payments received or
14 that may be received in the future; (b) any of the following that may
15 be obtained directly or indirectly from the use of any federal or
16 private funds received as authorized in this section: (i) Property
17 and interests therein, and (ii) revenues; (c) any payments received
18 or owing from any person resulting from the lending of any federal or
19 private funds received as authorized in this section; (d) any
20 proceeds under (a), (b), or (c) of this subsection and any securities
21 or investments in which (a), (b), or (c) of this subsection or
22 proceeds thereof may be invested; (e) any interest or other earnings
23 on (a), (b), (c), or (d) of this subsection.

24 (4) A city, town, county, port district, or public corporation
25 may establish one or more special funds relating to any or all of the
26 sources listed in subsection (3)(a) through (e) of this section and
27 pay or cause to be paid from such fund the principal, interest,
28 premium if any, and other amounts payable on any bonds, notes, or
29 other evidences of indebtedness authorized under this section, and
30 pay or cause to be paid any amounts owing on any obligations for
31 repayment or reimbursement of guarantors of any such bonds, notes, or
32 other evidences of indebtedness. A city, town, county, port district,
33 or public corporation may contract with a financial institution
34 either to act as trustee or custodian to receive, administer, and
35 expend any federal or private funds, or to collect, administer, and
36 make payments from any special fund as authorized under this section,
37 or both, and to perform other duties and functions in connection with
38 the transactions authorized under this section. If the bonds, notes,
39 or other evidences of indebtedness and related agreements comply with
40 subsection (6) of this section, then any such funds held by any such

1 trustee or custodian, or by a public corporation, shall not
2 constitute public moneys or funds of any city, town, ((~~or~~)) county,
3 or port district and at all times shall be kept segregated and set
4 apart from other funds.

5 (5) For purposes of this section, "lawful public purpose"
6 includes, without limitation, any use of funds, including loans
7 thereof to public or private parties, authorized by the agreements
8 with the United States or any department or agency thereof under
9 which federal or private funds are obtained, or authorized under the
10 federal laws and regulations pertinent to such agreements.

11 (6) If any such federal or private funds are loaned or granted to
12 any private party or used to guarantee any obligations of any private
13 party, then any bonds, notes, other evidences of indebtedness issued
14 or entered into for the purpose of receiving or causing the receipt
15 of such federal or private funds, and any agreements to repay or
16 reimburse guarantors, shall not be obligations of any city, town,
17 ((~~or~~)) county, or port district and shall be payable only from a
18 special fund as authorized in this section or from any of the
19 security pledged pursuant to the authority of this section, or both.
20 Any bonds, notes, or other evidences of indebtedness to which this
21 subsection applies shall contain a recital to the effect that they
22 are not obligations of the city, town, ((~~or~~)) county, or port
23 district or the state of Washington and that neither the faith and
24 credit nor the taxing power of the state or any municipal corporation
25 or subdivision of the state or any agency of any of the foregoing, is
26 pledged to the payment of principal, interest, or premium, if any,
27 thereon. Any bonds, notes, other evidences of indebtedness, or other
28 obligations to which this subsection applies shall not be included in
29 any computation for purposes of limitations on indebtedness. To the
30 extent expressly agreed in writing by a city, town, county, port
31 district, or public corporation, this subsection shall not apply to
32 bonds, notes, or other evidences of indebtedness issued for, or
33 obligations incurred for, the necessary support of the poor and
34 infirm by that city, town, county, port district, or public
35 corporation.

36 (7) Any bonds, notes, or other evidences of indebtedness issued
37 by, or reimbursement obligations incurred by, a city, town, county,
38 or public corporation consistent with the provisions of this section
39 but prior to May 3, 1995, and any loans or pledges made by a city,
40 town, or county in connection therewith substantially consistent with

1 the provisions of this section but prior to May 3, 1995, are deemed
2 authorized and shall not be held void, voidable, or invalid due to
3 any lack of authority under the laws of this state.

4 (8) All cities, towns, counties, public corporations, and port
5 districts may create partnerships and limited liability companies and
6 enter into agreements with public or private entities, including
7 partnership agreements and limited liability company agreements, to
8 implement within their boundaries the federal new markets tax credit
9 program established by the community renewal tax relief act of 2000
10 (26 U.S.C. Sec. 45D) or its successor statute.

11 **Sec. 3.** RCW 35.21.740 and 1985 c 332 s 4 are each amended to
12 read as follows:

13 Powers, authorities, or rights expressly or impliedly granted to
14 any city, town, ~~((~~or~~))~~ county, or port district or their agents under
15 any provision of RCW 35.21.730 through 35.21.755 shall not be
16 operable or applicable, or have any effect beyond the limits of the
17 incorporated area of any city ~~((~~or~~))~~, town, or port district
18 implementing RCW 35.21.730 through 35.21.755, unless so provided by
19 contract between the city and another city ~~((~~or~~))~~, county or port
20 district, or among one or more port districts, or as provided in an
21 agreement for joint or cooperative action pursuant to the interlocal
22 cooperation act, chapter 39.34 RCW.

23 **Sec. 4.** RCW 35.21.745 and 2002 c 218 s 24 are each amended to
24 read as follows:

25 (1) Any city, town, or county which shall create, or port
26 districts that individually or jointly create, a public corporation,
27 commission, or authority pursuant to RCW 35.21.730 or 35.21.660,
28 shall provide for its organization and operations and shall control
29 and oversee its operation and funds in order to correct any
30 deficiency and to assure that the purposes of each program undertaken
31 are reasonably accomplished.

32 (2) Any public corporation, commission, or authority created as
33 provided in RCW 35.21.730 may be empowered to own and sell real and
34 personal property; to contract with ~~((a city, town, or county))~~
35 cities, towns, counties, or port districts to conduct community
36 renewal activities under chapter 35.81 RCW; to contract with
37 individuals, associations, and corporations, and the state and the
38 United States; to sue and be sued; to loan and borrow funds and issue

1 bonds and other instruments evidencing indebtedness; transfer any
2 funds, real or personal property, property interests, or services; to
3 do anything a natural person may do; and to perform all manner and
4 type of community services. However, the public corporation,
5 commission, or authority shall have no power of eminent domain nor
6 any power to levy taxes or special assessments.

7 **Sec. 5.** RCW 35.21.747 and 1990 c 189 s 1 are each amended to
8 read as follows:

9 (1) In transferring real property to a public corporation,
10 commission, or authority under RCW 35.21.730, the city, town, ~~((or))~~
11 county, or port district creating such public corporation,
12 commission, or authority shall impose appropriate deed restrictions
13 necessary to ensure the continued use of such property for the public
14 purpose or purposes for which such property is transferred.

15 (2) The city, town, or county that creates, or port district that
16 individually or jointly creates, a public corporation, commission, or
17 authority under RCW 35.21.730 shall require of such public
18 corporation, commission, or authority thirty days' advance written
19 notice of any proposed sale or encumbrance of any real property
20 transferred by such city, town, ~~((or))~~ county, or port district to
21 such public corporation, commission, or authority pursuant to RCW
22 35.21.730(1). At a minimum, such notice shall be provided by such
23 public corporation, commission, or authority to the chief executive
24 or administrative officer of such city, town, ~~((or))~~ county, or port
25 district and to all members of its legislative body, and to each
26 local newspaper of general circulation, and to each local radio or
27 television station or other news medium which has on file with such
28 corporation, commission, or authority a written request to be
29 notified.

30 (3) Any property transferred by ~~((the))~~ a city, town, ~~((or))~~
31 county, or port district that created such public corporation,
32 commission, or authority may be sold or encumbered by such public
33 corporation, commission, or authority only after approval of such
34 sale or encumbrance by the governing body of the public corporation,
35 commission, or authority at a public meeting of which notice was
36 provided pursuant to RCW 42.30.080. Nothing in this section shall be
37 construed to prevent the governing body of the public corporation,
38 commission, or authority from holding an executive session during a
39 regular or special meeting in accordance with RCW 42.30.110(1)(c). In

1 addition, the public corporation, commission, or authority shall
2 advertise notice of the meeting in a local newspaper of general
3 circulation at least twice no less than seven days and no more than
4 two weeks before the public meeting.

5 **Sec. 6.** RCW 35.21.750 and 1974 ex.s. c 37 s 6 are each amended
6 to read as follows:

7 In the event of the insolvency or dissolution of a public
8 corporation, commission, or authority, the superior court of the
9 county in which the public corporation, commission, or authority is
10 or was operating shall have jurisdiction and authority to appoint
11 trustees or receivers of corporate property and assets and supervise
12 such trusteeship or receivership: PROVIDED, That all liabilities
13 incurred by such public corporation, commission, or authority shall
14 be satisfied exclusively from the assets and properties of such
15 public corporation, commission, or authority and no creditor or other
16 person shall have any right of action against ((the)) a city, town,
17 ((~~or~~)) county, or port district creating such corporation, commission
18 or authority on account of any debts, obligations, or liabilities of
19 such public corporation, commission, or authority.

20 **Sec. 7.** RCW 35.21.755 and 2007 c 104 s 16 are each amended to
21 read as follows:

22 (1) A public corporation, commission, or authority created
23 pursuant to RCW 35.21.730, 35.21.660, or 81.112.320 shall receive the
24 same immunity or exemption from taxation as that of the city, town,
25 ((~~or~~)) county, or port district creating the same: PROVIDED, That,
26 except for (a) any property within a special review district
27 established by ordinance prior to January 1, 1976, or listed on or
28 which is within a district listed on any federal or state register of
29 historical sites or (b) any property owned, operated, or controlled
30 by a public corporation that is used primarily for low-income
31 housing, or that is used as a convention center, performing arts
32 center, public assembly hall, public meeting place, public esplanade,
33 street, public way, public open space, park, public utility corridor,
34 or view corridor for the general public or (c) any blighted property
35 owned, operated, or controlled by a public corporation that was
36 acquired for the purpose of remediation and redevelopment of the
37 property in accordance with an agreement or plan approved by the
38 city, town, ((~~or~~)) county, or port district in which the property is

1 located, or (d) any property owned, operated, or controlled by a
2 public corporation created under RCW 81.112.320, any such public
3 corporation, commission, or authority shall pay to the county
4 treasurer an annual excise tax equal to the amounts which would be
5 paid upon real property and personal property devoted to the purposes
6 of such public corporation, commission, or authority were it in
7 private ownership, and such real property and personal property is
8 acquired and/or operated under RCW 35.21.730 through 35.21.755, and
9 the proceeds of such excise tax shall be allocated by the county
10 treasurer to the various taxing authorities in which such property is
11 situated, in the same manner as though the property were in private
12 ownership: PROVIDED FURTHER, That the provisions of chapter 82.29A
13 RCW shall not apply to property within a special review district
14 established by ordinance prior to January 1, 1976, or listed on or
15 which is within a district listed on any federal or state register of
16 historical sites and which is controlled by a public corporation,
17 commission, or authority created pursuant to RCW 35.21.730 or
18 35.21.660, which was in existence prior to January 1, 1987: AND
19 PROVIDED FURTHER, That property within a special review district
20 established by ordinance prior to January 1, 1976, or property which
21 is listed on any federal or state register of historical sites and
22 controlled by a public corporation, commission, or authority created
23 pursuant to RCW 35.21.730 or 35.21.660, which was in existence prior
24 to January 1, 1976, shall receive the same immunity or exemption from
25 taxation as if such property had been within a district listed on any
26 such federal or state register of historical sites as of January 1,
27 1976, and controlled by a public corporation, commission, or
28 authority created pursuant to RCW 35.21.730 or 35.21.660 which was in
29 existence prior to January 1, 1976.

30 (2) As used in this section:

31 (a) "Low-income" means a total annual income, adjusted for family
32 size, not exceeding fifty percent of the area median income.

33 (b) "Area median income" means:

34 (i) For an area within a standard metropolitan statistical area,
35 the area median income reported by the United States department of
36 housing and urban development for that standard metropolitan
37 statistical area; or

38 (ii) For an area not within a standard metropolitan statistical
39 area, the county median income reported by the department of
40 (~~community, trade, and economic development~~) commerce.

1 (c) "Blighted property" means property that is contaminated with
2 hazardous substances as defined under RCW 70.105D.020.

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