

RCW 53.57.040 Agreements with government entities—Bonds, notes, or other evidence of indebtedness—Special funds. (1) For the management of maritime activities, port districts and port development authorities are authorized to enter into an agreement with the federal government, any federal agency or department, and any state agency or political subdivision of the state, and pursuant to the agreement:

(a) Receive and expend, or cause to be received and expended by a trustee or custodian, federal or private funds for any lawful public purpose related to management of maritime activities of the port district or port development authority;

(b) Issue bonds, notes, or other evidences of indebtedness that are guaranteed or otherwise secured by funds or other instruments provided by or through the federal government; and

(c) Agree to repay and reimburse for any liability of a guarantor of bonds, notes, or other evidences of indebtedness issued by the port district or port development authority.

(2) A port district or port development authority may pledge as security for any bond, note, or other evidence of indebtedness, or for any obligation to repay or reimburse the guarantor of a bond, note, or evidence of indebtedness, its right, title, and interest to or in the following:

(a) Any federal grant or payment received by the port district or port development authority, or that may be received in the future;

(b) Property and revenues that may be obtained directly or indirectly from the use of any federal or private funds received by the port district or port development authority under subsection (1) of this section;

(c) Payments received or owing from any person as a result of the lending of any federal or private funds received by the port district or port development authority under subsection (1) of this section;

(d) Any proceeds under (a), (b), or (c) of this subsection (2), and any securities or investments in which (a), (b), or (c) of this subsection (2) and any associated proceeds are invested; and

(e) Any interest or other earnings on (a), (b), (c), or (d) of this subsection (2).

(3)(a) A port district or port development authority may establish one or more special funds relating to any or all of the sources listed in subsection (2)(a) through (e) of this section. The port district or port development authority may use funds from a special fund to pay:

(i) The principal, interest, premium, if any, and other amounts payable on any bond, note, or other evidence of indebtedness authorized under this section; and

(ii) Any amounts owing on obligations for repayment or reimbursement of guarantors of bonds, notes, or other evidences of indebtedness as authorized under this section.

(b) A port district or port development authority may contract with a financial institution to act as trustee or custodian to: (i) Receive, administer, and expend any federal or private funds; (ii) collect, administer, and make payments from any special fund authorized under this subsection (3); or (iii) perform the functions authorized under both (b)(i) and (ii) of this subsection (3). The trustee or custodian may also perform other duties and functions in connection with authorized transactions.

(c) If any bond, note, other evidence of indebtedness, or related agreement complies with subsection (4) of this section, then any of

the funds held by a trustee or custodian, or by a port development authority, do not constitute public moneys or funds of a port district, and must be kept segregated and set apart from other funds at all times.

(4) (a) If a port development authority loans or grants federal or private funds to a private party, or uses federal or private funds to guarantee any obligations of a private party, then any bond, note, or other evidence of indebtedness issued or entered into for the purpose of receiving the federal or private funds, or any agreement to repay or reimburse guarantors, are not obligations of a port district. These obligations may be paid only from:

(i) A special fund established in accordance with subsection (3) of this section;

(ii) Any security pledged in accordance with this section; or

(iii) Both (a)(i) and (ii) of this subsection (4).

(b) Any bond, note, or other evidence of indebtedness to which this subsection (4) applies must contain a recital establishing that the bond, note, or evidence of indebtedness is not an obligation of the port district or the state, and that neither the faith and credit, nor the taxing power of the state, any subdivision or agency of the state, or any port district is pledged to pay the principal, interest, or premium, if any, on the bond, note, or evidence of indebtedness.

(c) Any bond, note, other evidence of indebtedness, or other obligation to which this subsection (4) applies may not be included in any computation for purposes of limitations on indebtedness.

(5) For the purposes of this section, "lawful public purpose" includes any use of funds related to management of the maritime activities of a port district or port development authority, including loans of funds to public or private parties authorized by an agreement with the United States or any federal department or agency through which federal or private funds are obtained or authorized under the federal laws and regulations pertinent to the agreement. [2015 c 35 § 5.]

Findings—Intent—2015 c 35: See note following RCW 53.57.020.