

SS SB 578 -- PORT AUTHORITIES

SPONSOR: Shields (Flook)

COMMITTEE ACTION: Voted "do pass" by the Committee on Job Creation and Economic Development by a vote of 11 to 0.

This substitute changes the laws regarding port authorities. In its main provisions, the substitute:

(1) Authorizes every local and regional port authority, except those located in Clay County, to:

(a) Establish a port improvement district;

(b) Carry out certain specified projects;

(c) Levy, upon voter approval, a sales and use tax, a real property tax, or both within the boundaries of the district for the purpose of paying project costs. Railroad property cannot be taxed unless the property's owner agrees to the levy in writing. The sales tax must be levied in increments of one-eighth of 1% but cannot exceed 1%; and

(d) Pledge all revenues generated by any district and any other port authority revenue source to the repayment of outstanding obligations;

(2) Requires any matching grants awarded by the Highways and Transportation Commission under the Port Capital Improvement Program to be transportation related;

(3) Authorizes a local and regional port authority that is a political subdivision to issue revenue bonds to finance port improvement projects;

(4) Requires any expenditure that is more than \$25,000 to be competitively bid by the port authority;

(5) Establishes the Port Improvement District Act which allows a port authority to establish one or more port improvement districts within its boundaries for the purpose of funding qualified project costs associated with an approved port authority improvement project;

(6) Specifies the procedures for forming a district, the notification process of public hearings, and the procedures for terminating a district;

(7) Requires the board of a port authority to submit an annual

report regarding the district's services provided and revenues collected and expended during the fiscal year and specifies that the report must be submitted to the municipal or county clerk and the Department of Transportation within 120 days after the port authority's fiscal year ends and to the State Auditor.

FISCAL NOTE: No impact on state funds in FY 2011, FY 2012, and FY 2013.

PROPONENTS: Supporters say that the bill provides the necessary authority to establish port authority districts, which are similar to a transportation development or community improvement districts. These districts will not work for a port authority because they do not address the very specific needs of a port, which has historical and environmental issues because it tends to be in the oldest part of a city. This is a tax that the owners within the port impose on themselves, and the resulting revenue will be used to improve the area.

Testifying for the bill were Representative Komo for Senator Shields; Missouri Chamber of Commerce and Industry; City of Kansas City; and Vincent P. Gauthier, Port Authority of Kansas City.

OPPONENTS: There was no opposition voiced to the committee.