

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1656

65th Legislature
2018 Regular Session

Passed by the House February 13, 2018
Yeas 98 Nays 0

Speaker of the House of Representatives

Passed by the Senate March 2, 2018
Yeas 48 Nays 0

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1656** as passed by House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 1656

Passed Legislature - 2018 Regular Session

State of Washington 65th Legislature 2018 Regular Session

By House Transportation (originally sponsored by Representatives Dent, Gregerson, Hargrove, Tarleton, Klippert, and Clibborn)

READ FIRST TIME 02/06/18.

1 AN ACT Relating to a community aviation revitalization loan
2 program; amending RCW 43.79A.040 and 47.68.020; amending 2018 c 2 ss
3 7028 and 4002 (uncodified); adding new sections to chapter 47.68 RCW;
4 and creating a new section.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that providing
7 additional funding mechanisms for public use airports that primarily
8 support general aviation activities to implement revenue generating
9 initiatives is in the best interests of the state. The legislature
10 further finds that a revolving loan program would benefit smaller
11 airport development while providing a self-sustaining resource.

12 NEW SECTION. **Sec. 2.** (1) The department must convene a
13 community aviation revitalization board to exercise the powers
14 granted under this chapter.

15 (2) The board must consist of the chairs and ranking minority
16 members of the transportation committees of the house of
17 representatives and the senate, and a representative from both the
18 department of transportation's aviation division and the department
19 of commerce. The board must also consist of the following members
20 appointed by the secretary of transportation: One port district

1 official, one county official, one city official, one representative
2 of airport managers, and one representative of a general aviation
3 pilots organization within Washington that has an active membership
4 and established location, chapter, or appointed representative within
5 Washington. The appointive members must initially be appointed to
6 terms as follows: Two members for two-year terms, and three members
7 for three-year terms which must include the chair. Thereafter, each
8 succeeding term must be for three years. The chair of the board must
9 be selected by the secretary of transportation. The members of the
10 board must elect one of their members to serve as vice chair. The
11 director of commerce and the secretary of transportation must serve
12 as nonvoting advisory members of the board.

13 (3) Management services, including fiscal and contract services,
14 must be provided by the department of transportation to assist the
15 board in implementing this chapter.

16 (4) Legislative members of the board are reimbursed for travel
17 expenses in accordance with RCW 44.04.120. Nonlegislative members are
18 not entitled to be reimbursed for travel expenses if they are elected
19 officials or are participating on behalf of an employer, governmental
20 entity, or other organization. Any reimbursement for other
21 nonlegislative members is subject to chapter 43.03 RCW.

22 (5) If a vacancy occurs by death, resignation, or otherwise of
23 appointive members of the board, the secretary of transportation must
24 fill the vacancy for the unexpired term. Members of the board may be
25 removed for malfeasance or misfeasance in office, upon specific
26 written charges by the secretary of transportation, under chapter
27 34.05 RCW.

28 (6) A member appointed by the secretary of transportation may not
29 be absent from more than fifty percent of the regularly scheduled
30 meetings in any one calendar year. Any member who exceeds this
31 absence limitation is deemed to have withdrawn from the office and
32 may be replaced by the secretary of transportation.

33 (7) A majority of members currently appointed constitutes a
34 quorum.

35 (8) The board must meet three times a year or as deemed necessary
36 by the department of transportation.

37 (9) Staff support to the board must be provided by the department
38 of transportation as needed.

1 NEW SECTION. **Sec. 3.** (1) Each member of the house of
2 representatives who is appointed to the community aviation
3 revitalization board under section 2 of this act may designate
4 another member from the house of representatives to take his or her
5 place on the board for meetings at which the member will be absent,
6 as long as the designated member belongs to the same caucus. The
7 designee has all of the same powers to vote and participate in board
8 deliberations as the other board members.

9 (2) Each member of the senate who is appointed to the community
10 aviation revitalization board under section 2 of this act may
11 designate another member from the senate to take his or her place on
12 the board for meetings at which the member will be absent, as long as
13 the designated member belongs to the same caucus. The designee has
14 all of the same powers to vote and participate in board deliberations
15 as the other board members.

16 (3) Each agency head of an executive agency who is appointed to
17 serve as a nonvoting advisory member of the board under section 2 of
18 this act may designate an agency employee to take his or her place on
19 the board for meetings at which the agency head will be absent. The
20 designee has all of the same powers to participate in board
21 deliberations as the other board members, but does not have voting
22 powers.

23 NEW SECTION. **Sec. 4.** In addition to other applicable provisions
24 of law pertaining to conflicts of interest of public officials, any
25 community aviation revitalization board member, appointive or
26 otherwise, may not participate in any decision on any board contract
27 in which the board member has any interests, direct or indirect, with
28 any firm, partnership, corporation, or association that would be the
29 recipient of any aid under this chapter. If such participation
30 occurs, the board must void the transaction and the involved member
31 is subject to further sanctions as provided by law. The board must
32 adopt a code of ethics for its members, which must be designed to
33 protect the state and its citizens from any unethical conduct by the
34 board.

35 NEW SECTION. **Sec. 5.** The community aviation revitalization
36 board may:

37 (1) Adopt bylaws for the regulation of its affairs and the
38 conduct of its business;

- 1 (2) Adopt an official seal and alter the seal at its pleasure;
- 2 (3) Utilize the services of other governmental agencies;
- 3 (4) Accept from any federal agency loans or grants for the
- 4 planning or financing of any project and enter into an agreement with
- 5 the agency respecting the loans or grants;
- 6 (5) Conduct examinations and investigations and take testimony at
- 7 public hearings of any matter material for its information that will
- 8 assist in determinations related to the exercise of the board's
- 9 lawful powers;
- 10 (6) Accept any gifts, grants, loans of funds, property, or
- 11 financial or other aid in any form from any other source on any terms
- 12 and conditions that are not in conflict with this chapter;
- 13 (7) Enter into agreements or other transactions with and accept
- 14 grants and the cooperation of any governmental agency in furtherance
- 15 of this chapter;
- 16 (8) Adopt rules under chapter 34.05 RCW as necessary to carry out
- 17 the purposes of this chapter; and
- 18 (9) Perform all acts and things necessary or convenient to carry
- 19 out the powers expressly granted or implied under this chapter.

20 NEW SECTION. **Sec. 6.** (1) The community aviation revitalization

21 board may make direct loans to airport sponsors of public use

22 airports in the state for the purpose of airport improvements that

23 primarily support general aviation activities. The board may provide

24 loans for the purpose of airport improvements only if the state is

25 receiving commensurate public benefit, which must include, as a

26 condition of the loan, a commitment to provide public access to the

27 airport for a period of time equivalent to one and one-half times the

28 term of the loan. For purposes of this subsection, "public use

29 airports" means all public use airports not listed as having more

30 than fifty thousand annual commercial air service passenger

31 enplanements as published by the federal aviation administration.

32 (2) An application for loan funds under this section must be made

33 in the form and manner as the board may prescribe. When evaluating

34 loan applications, the board must prioritize applications that

35 provide conclusive justification that completion of the loan

36 application project will create revenue generating opportunities. The

37 board is not limited to, but must also use, the following expected

38 outcome conditions when evaluating loan applications:

1 (a) A specific private development or expansion is ready to occur
2 and will occur only if the aviation facility improvement is made;

3 (b) The loan application project results in the creation of jobs
4 or private sector capital investment as determined by the board;

5 (c) The loan application project improves opportunities for the
6 successful maintenance, operation, or expansion of an airport or
7 adjacent airport business park;

8 (d) The loan application project results in the creation or
9 retention of long-term economic opportunities; and

10 (e) The loan application project results in leveraging additional
11 federal funding for an airport.

12 (3)(a) If the board chooses to require a local match, the board
13 must develop guidelines for local participation and allowable match
14 and activities.

15 (b) An application must:

16 (i) Be supported by the port district, city, or county in which
17 the project is located; and

18 (ii) Clearly identify the source of funds intended to repay the
19 loan.

20 NEW SECTION. **Sec. 7.** The public use general aviation airport
21 loan program, when authorized by the community aviation
22 revitalization board, is subject to the following conditions:

23 (1) The moneys in the public use general aviation airport loan
24 revolving account created in section 9 of this act must be used only
25 to fulfill commitments arising from loans authorized in this chapter.
26 The total outstanding amount that the board must dispense at any time
27 pursuant to this section must not exceed the moneys available from
28 the account.

29 (2) On contracts made for public use general aviation airport
30 loans, the board must determine the interest rate that loans must
31 bear. The interest rate must not exceed the amount needed to cover
32 the administrative expenses of the board and the loan program. The
33 board may provide reasonable terms and conditions for the repayment
34 of loans, with the repayment of a loan to begin no later than three
35 years after the award date of the loan. The loans must not exceed
36 twenty years in duration.

37 (3) The repayment of any loan made from the public use general
38 aviation airport loan revolving account under the contracts for

1 aviation loans must be paid into the public use general aviation
2 airport loan revolving account.

3 NEW SECTION. **Sec. 8.** To enhance competition for loans and the
4 quality of projects for which loans are sought, the community
5 aviation revitalization board must take such reasonable measures as
6 are necessary to familiarize government officials and members of the
7 public with this chapter, particularly the board's authority to make
8 loans.

9 **Sec. 9.** 2018 c 2 s 7028 (uncodified) is amended to read as
10 follows:

11 The public use general aviation airport loan revolving account is
12 created in the custody of the state treasurer. All receipts from
13 moneys collected under (~~this chapter~~) section 4002 of chapter 2,
14 Laws of 2018 and sections 1 through 8 of this act must be deposited
15 into the account. Expenditures from the account may be used only for
16 the purposes described in section 4002 (~~of this act~~) of chapter 2,
17 Laws of 2018 and sections 6 and 7 of this act. Only the community
18 aviation revitalization board or the board's designee may authorize
19 expenditures from the account. The account is subject to allotment
20 procedures under chapter 43.88 RCW, but an appropriation is not
21 required for expenditures.

22 NEW SECTION. **Sec. 10.** The community aviation revitalization
23 board and the department of transportation must keep proper records
24 of accounts, which are subject to audit by the state auditor.

25 **Sec. 11.** RCW 43.79A.040 and 2017 3rd sp.s. c 5 s 89 are each
26 amended to read as follows:

27 (1) Money in the treasurer's trust fund may be deposited,
28 invested, and reinvested by the state treasurer in accordance with
29 RCW 43.84.080 in the same manner and to the same extent as if the
30 money were in the state treasury, and may be commingled with moneys
31 in the state treasury for cash management and cash balance purposes.

32 (2) All income received from investment of the treasurer's trust
33 fund must be set aside in an account in the treasury trust fund to be
34 known as the investment income account.

35 (3) The investment income account may be utilized for the payment
36 of purchased banking services on behalf of treasurer's trust funds

1 including, but not limited to, depository, safekeeping, and
2 disbursement functions for the state treasurer or affected state
3 agencies. The investment income account is subject in all respects to
4 chapter 43.88 RCW, but no appropriation is required for payments to
5 financial institutions. Payments must occur prior to distribution of
6 earnings set forth in subsection (4) of this section.

7 (4)(a) Monthly, the state treasurer must distribute the earnings
8 credited to the investment income account to the state general fund
9 except under (b), (c), and (d) of this subsection.

10 (b) The following accounts and funds must receive their
11 proportionate share of earnings based upon each account's or fund's
12 average daily balance for the period: The 24/7 sobriety account, the
13 Washington promise scholarship account, the Gina Grant Bull memorial
14 legislative page scholarship account, the Washington advanced college
15 tuition payment program account, the Washington college savings
16 program account, the accessible communities account, the Washington
17 achieving a better life experience program account, the community and
18 technical college innovation account, the agricultural local fund,
19 the American Indian scholarship endowment fund, the foster care
20 scholarship endowment fund, the foster care endowed scholarship trust
21 fund, the contract harvesting revolving account, the Washington state
22 combined fund drive account, the commemorative works account, the
23 county enhanced 911 excise tax account, the toll collection account,
24 the developmental disabilities endowment trust fund, the energy
25 account, the fair fund, the family and medical leave insurance
26 account, the food animal veterinarian conditional scholarship
27 account, the forest health revolving account, the fruit and vegetable
28 inspection account, the future teachers conditional scholarship
29 account, the game farm alternative account, the GET ready for math
30 and science scholarship account, the Washington global health
31 technologies and product development account, the grain inspection
32 revolving fund, the industrial insurance rainy day fund, the juvenile
33 accountability incentive account, the law enforcement officers' and
34 firefighters' plan 2 expense fund, the local tourism promotion
35 account, the low-income home rehabilitation revolving loan program
36 account, the multiagency permitting team account, the northeast
37 Washington wolf-livestock management account, the pilotage account,
38 the produce railcar pool account, the public use general aviation
39 airport loan revolving account, the regional transportation
40 investment district account, the rural rehabilitation account, the

1 Washington sexual assault kit account, the stadium and exhibition
2 center account, the youth athletic facility account, the self-
3 insurance revolving fund, the children's trust fund, the Washington
4 horse racing commission Washington bred owners' bonus fund and
5 breeder awards account, the Washington horse racing commission class
6 C purse fund account, the individual development account program
7 account, the Washington horse racing commission operating account,
8 the life sciences discovery fund, the Washington state heritage
9 center account, the reduced cigarette ignition propensity account,
10 the center for childhood deafness and hearing loss account, the
11 school for the blind account, the Millersylvania park trust fund, the
12 public employees' and retirees' insurance reserve fund, and the
13 radiation perpetual maintenance fund.

14 (c) The following accounts and funds must receive eighty percent
15 of their proportionate share of earnings based upon each account's or
16 fund's average daily balance for the period: The advanced right-of-
17 way revolving fund, the advanced environmental mitigation revolving
18 account, the federal narcotics asset forfeitures account, the high
19 occupancy vehicle account, the local rail service assistance account,
20 and the miscellaneous transportation programs account.

21 (d) Any state agency that has independent authority over accounts
22 or funds not statutorily required to be held in the custody of the
23 state treasurer that deposits funds into a fund or account in the
24 custody of the state treasurer pursuant to an agreement with the
25 office of the state treasurer shall receive its proportionate share
26 of earnings based upon each account's or fund's average daily balance
27 for the period.

28 (5) In conformance with Article II, section 37 of the state
29 Constitution, no trust accounts or funds shall be allocated earnings
30 without the specific affirmative directive of this section.

31 **Sec. 12.** RCW 47.68.020 and 1993 c 208 s 4 are each amended to
32 read as follows:

33 As used in this chapter, unless the context clearly indicates
34 otherwise:

35 (1) "Aeronautics" means the science and art of flight and
36 including but not limited to transportation by aircraft; the
37 operation, construction, repair, or maintenance of aircraft, aircraft
38 power plants and accessories, including the repair, packing, and
39 maintenance of parachutes; the design, establishment, construction,

1 extension, operation, improvement, repair, or maintenance of airports
2 or air navigation facilities; and instruction in flying or ground
3 subjects pertaining thereto.

4 (2) "Aircraft" means any contrivance now known, or hereafter
5 invented, used or designed for navigation of or flight in the air.

6 (3) "Airport" means any area of land or water which is used, or
7 intended for use, for the landing and take-off of aircraft, and any
8 appurtenant areas which are used, or intended for use, for airport
9 buildings or other airport facilities or right-of-way, together with
10 all airport buildings and facilities located thereon.

11 (4) "Department" means the state department of transportation.

12 (5) "Secretary" means the state secretary of transportation.

13 (6) "State" or "this state" means the state of Washington.

14 (7) "Air navigation facility" means any facility, other than one
15 owned or operated by the United States, used in, available for use
16 in, or designed for use in aid of air navigation, including any
17 structures, mechanisms, lights, beacons, markers, communicating
18 systems, or other instrumentalities or devices used or useful as an
19 aid, or constituting an advantage or convenience, to the safe taking-
20 off, navigation, and landing of aircraft, or the safe and efficient
21 operation or maintenance of an airport, and any combination of any or
22 all of such facilities.

23 (8) "Operation of aircraft" or "operate aircraft" means the use,
24 navigation, or piloting of aircraft in the airspace over this state
25 or upon any airport within this state.

26 (9) "Airman or airwoman" means any individual who engages, as the
27 person in command, or as pilot, mechanic, or member of the crew in
28 the navigation of aircraft while under way, and any individual who is
29 directly in charge of the inspection, maintenance, overhauling, or
30 repair of aircraft engines, airframes, propellers, or appliances, and
31 any individual who serves in the capacity of aircraft dispatcher or
32 air-traffic control tower operator; but does not include any
33 individual employed outside the United States, or any individual
34 employed by a manufacturer of aircraft, aircraft engines, airframes,
35 propellers, or appliances to perform duties as inspector or mechanic
36 in connection therewith, or any individual performing inspection or
37 mechanical duties in connection with aircraft owned or operated by
38 the person.

39 (10) "Aeronautics instructor" means any individual who for hire
40 or reward engages in giving instruction or offering to give

1 instruction in flying or ground subjects pertaining to aeronautics,
2 but excludes any instructor in a public school, university, or
3 institution of higher learning duly accredited and approved for
4 carrying on collegiate work, who instructs in flying or ground
5 subjects pertaining to aeronautics, while in the performance of his
6 or her duties at such school, university, or institution.

7 (11) "Air school" means any person who advertises, represents, or
8 holds out as giving or offering to give instruction in flying or
9 ground subjects pertaining to aeronautics whether for or without hire
10 or reward; but excludes any public school, university, or institution
11 of higher learning duly accredited and approved for carrying on
12 collegiate work.

13 (12) "Person" means any individual, firm, partnership,
14 corporation, company, association, joint stock association, or body
15 politic; and includes any trustee, receiver, assignee, or other
16 similar representative thereof.

17 (13) "Municipal" means pertaining to a municipality, and
18 "municipality" means any county, city, town, authority, district, or
19 other political subdivision or public corporation of this state.

20 (14) "Airport hazard" means any structure, object of natural
21 growth, or use of land, which obstructs the airspace required for the
22 flight of aircraft in landing or taking off at an airport or is
23 otherwise hazardous to such landing or taking off.

24 (15) "State airway" means a route in the navigable airspace over
25 and above the lands or waters of this state, designated by the
26 department as a route suitable for air navigation.

27 (16) "Airport sponsor" means any public agency or private entity
28 owning or leasing a public use airport.

29 (17) "Public agency" means any state, political subdivision of a
30 state, tax-supported organization, or Indian tribe.

31 (18) "Public use airport" means any airport that is used for
32 public, governmental, county, or municipal purposes for matters of
33 public necessity.

34 **Sec. 13.** 2018 c 2 s 4002 (uncodified) is amended to read as
35 follows:

36 **FOR THE DEPARTMENT OF TRANSPORTATION**

37 Aviation Revitalization Loans (92000003)

1 The appropriation in this section is subject to the following
2 conditions and limitations:

3 (1) This appropriation is provided solely for deposit into the
4 public use general aviation airport loan revolving account created in
5 section 7028 (~~(of this act)~~) of chapter 2, Laws of 2018 for direct
6 loans to (~~(political subdivisions of)~~) airport sponsors of public use
7 airports in the state (~~(and privately owned airports)~~) for the
8 purpose of improvements (~~(at public use airports)~~) that primarily
9 support general aviation activities.

10 (2) The department must convene a community aviation
11 revitalization board to develop criteria for selecting loan
12 recipients, to develop a process for evaluating applications, and to
13 make decisions. The board must consist of the (~~(capital budget)~~)
14 chairs and ranking minority members of the (~~(capital budget)~~)
15 transportation committees of the house of representatives and the
16 senate (~~(ways and means committee)~~), and a representative from both
17 the department of transportation's aviation division and the
18 department of commerce. The board must also consist of the following
19 members appointed by the secretary of transportation: One port
20 district official, one county official, one city official, one
21 representative of airport managers, and one representative of a
22 general aviation pilots organization within Washington that has an
23 active membership and established location, chapter, or appointed
24 representative within Washington. The appointive members must
25 initially be appointed to terms as follows: Two members for two-year
26 terms, and three members for three-year terms which must include the
27 chair. Thereafter, each succeeding term must be for three years. The
28 chair of the board must be selected by the secretary of
29 transportation. The members of the board must elect one of their
30 members to serve as vice chair. The director of commerce and the
31 secretary of transportation must serve as nonvoting advisory members
32 of the board.

33 (3) The board may provide loans (~~(to privately owned airports)~~)
34 for the purpose of airport improvements only if the state is
35 receiving commensurate public benefit, (~~(such as guaranteed long-~~
36 ~~term)~~) which must include, as a condition of the loan, a commitment
37 to provide public access to the airport (~~(as)~~) for a (~~(condition)~~)
38 period of time equivalent to one and one-half times the term of the
39 loan. For purposes of this subsection, "public use airports" (~~(that~~

1 ~~primarily support general aviation activities~~) means all public use
2 airports not listed as having more than fifty thousand annual
3 commercial air service passenger enplanements as published by the
4 federal aviation administration.

5 (4) An application for loan funds under this section must be made
6 in the form and manner as the board may prescribe. When evaluating
7 loan applications, the board must prioritize applications that
8 provide conclusive justification that completion of the loan
9 application project will create revenue-generating opportunities. The
10 board is not limited to, but must also use, the following expected
11 outcome conditions when evaluating loan applications:

12 (a) A specific private development or expansion is ready to occur
13 and will occur only if the aviation facility improvement is made;

14 (b) The loan application project results in the creation of jobs
15 or private sector capital investment as determined by the board;

16 (c) The loan application project improves opportunities for the
17 successful maintenance, operation, or expansion of an airport or
18 adjacent airport business park;

19 (d) The loan application project results in the creation or
20 retention of long-term economic opportunities; and

21 (e) The loan application project results in leveraging additional
22 federal funding for an airport.

23 (5) The repayment of any loan made from the public use general
24 aviation airport loan revolving account under the contracts for
25 aviation loans must be paid into the public use general aviation
26 airport loan revolving account.

27 Appropriation:

28	State Taxable Building Construction Account—State. . .	\$5,000,000
29	Prior Biennia (Expenditures).	\$0
30	Future Biennia (Projected Costs).	\$0
31	TOTAL.	\$5,000,000

32 NEW SECTION. **Sec. 14.** Sections 2 through 10 of this act are
33 each added to chapter 47.68 RCW.

--- END ---