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SENATE BILL 5926

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State of Washington

63rd Legislature

2013 Regular Session

By Senators Chase and Braun

Read first time 04/26/13. Referred to Committee on Trade & Economic Development.

1 AN ACT Relating to aerospace competitiveness; adding a new section  
2 to chapter 43.330 RCW; and creating a new section.

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

4 NEW SECTION. **Sec. 1.** (1) The legislature finds that:

5 (a) The state of Washington is positioned in a globally accessible,  
6 strategic location and possesses an innovative, creative workforce; and

7 (b) Among the state's greatest assets is its well-trained aerospace  
8 workforce skilled in advanced mechatronics, including but not limited  
9 to engineers, machinists, and airframe and propulsion certified  
10 mechanics. The workforce possesses the expertise necessary to generate  
11 complex products for commercial airlines, military, space, and  
12 communications. This expertise includes: Research and development;  
13 design, use of exotic materials, and application of high-tolerance  
14 manufacturing; logistical management, tracking, and precision assembly,  
15 aeronautical systems, and aerodynamics; certification and regulatory  
16 compliance; and customer service and in-service operations.

17 (2) The legislature intends to capitalize upon the state's positive  
18 business climate, its locally owned and operated businesses, and its

1 creative, competent workforce to be catalysts for Washington's economic  
2 renewal and recovery.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.330 RCW  
4 to read as follows:

5 (1) The department must encourage, through new or repurposed  
6 programs, the innovative, creative, and entrepreneurial talents of the  
7 Washington state workforce to "innovate here" with access to public and  
8 private resources to prototype new technology and develop commercial  
9 applications for the aerospace industry and for other industries that  
10 may benefit from the transfer of aerospace technologies.

11 (2) Using existing resources, the department must make it a top  
12 level priority to conduct a worldwide search to attract public and  
13 private investment in aerospace-related workforce, plant, and  
14 technology in Washington state. The department is encouraged to pursue  
15 direct foreign investment by the global aerospace sector to create a  
16 competitive marketplace for labor, technology, and innovation. The  
17 department must invite aerospace and related industry manufacturing  
18 companies to "choose Washington" for their next expansion by featuring  
19 the aerospace manufacturing industry tax incentives, fee waivers,  
20 expenditure discounts, and any other preferences approved by the  
21 legislature in 2003 including:

- 22 (a) Income tax credits;
- 23 (b) Sales and use tax exemptions and refunds;
- 24 (c) Real and personal property tax abatements;
- 25 (d) Infrastructure grants and technical assistance;
- 26 (e) Free or discounted land and buildings;
- 27 (f) Low-cost financing for capital expenditures;
- 28 (g) Utility discounts;
- 29 (h) Waiver of permit fees;
- 30 (i) Expedited permits;
- 31 (j) Environmental and pollution control incentives;
- 32 (k) Federal and state research and development credits;
- 33 (l) Wage rebates;
- 34 (m) Job creation tax incentives;
- 35 (n) Employee training grants and credits;
- 36 (o) Federal and state targeted employment credits;
- 37 (p) Hiring and employee screening assistance; and

1 (q) Any additional available preferences.

2 (3) The department must assist small businesses that are locally  
3 owned and operated by enterprising engineers, machinists, mechanics,  
4 and other innovators developing their technologies and services for  
5 global markets. The department must partner with impact Washington to  
6 ensure that these new enterprises have access to advanced manufacturing  
7 processes.

8 (4) The department must work to create the conditions that will  
9 recruit new investment and to develop the existing aerospace industry  
10 cluster and related industries that benefit from aerospace technology  
11 and workforce.

12 (5) The department must submit a written report to appropriate  
13 legislative committees every six months regarding the number of  
14 potential investors contacted, the amount of private capital invested,  
15 new product commercialization achieved, net jobs created and retained,  
16 and other relevant information pertinent to an evaluation of the  
17 department's efforts and that of the economic condition of Washington  
18 state's aerospace industry. The department, in consultation with the  
19 department of revenue, must feature in the report the specific  
20 preferences and incentives used by the state to attract, retain, and  
21 expand aerospace businesses and jobs, with an evaluation of which of  
22 these preferences and incentives have accomplished their intended  
23 purposes.

24 (6)(a) The department must undertake an assessment of program  
25 effectiveness of research, training, and service at the state's  
26 colleges and universities in areas of importance to the state's  
27 aerospace industry, related industries, and to investment in aerospace  
28 and related industries.

29 (b) By December 31, 2013, and in compliance with RCW 43.01.036, the  
30 department must submit a written report to the legislature: Assessing  
31 the funding, strengths, limitations, and regulatory barriers in  
32 research, training, and service at the state's colleges and  
33 universities in areas of importance to the state's aerospace industry  
34 and related industries; and the veracity and completeness of  
35 information provided to the public by the state's colleges and  
36 universities in relation to such research, training, and service.

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