
HOUSE BILL 2265

State of Washington 64th Legislature 2015 2nd Special Session

By Representatives Manweller and Condotta

Read first time 06/05/15. Referred to Committee on Finance.

1 AN ACT Relating to providing additional detail in the tax
2 preference performance statement, including a 79,500 employment
3 baseline, for the aerospace tax incentives; and amending 2013 3rd
4 sp.s. c 2 s 1 (uncodified).

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

6 **Sec. 1.** 2013 3rd sp.s. c 2 s 1 (uncodified) is amended to read
7 as follows:

8 (1) The legislature finds that the people of Washington have
9 benefited enormously from the presence of the aerospace industry in
10 Washington state. The legislature further finds that the industry
11 continues to provide good wages and benefits for the thousands of
12 engineers, mechanics, and support staff working directly in the
13 industry throughout the state. The legislature further finds that
14 suppliers and vendors that support the aerospace industry in turn
15 provide a range of well-paying jobs. In 2003, and again in 2006, and
16 2007, the legislature determined it was in the public interest to
17 encourage the continued presence of the aerospace industry through
18 the provision of tax incentives. To this end, and in recognition of
19 the continuing extreme importance of the aerospace industry in
20 Washington, it is the legislature's intent to reaffirm and build upon

1 prior aerospace tax incentive legislation in a fiscally prudent
2 manner.

3 (2) The legislature categorizes the tax preferences extended in
4 this act as intended to create or retain jobs, as indicated in RCW
5 82.32.808(2)(c).

6 (3) It is the legislature's specific public policy objective to
7 maintain ~~((and grow Washington's aerospace industry workforce))~~ at
8 least seventy-nine thousand five hundred aerospace employment
9 positions in Washington with respect to the state's largest aerospace
10 employer and to also grow Washington's aerospace industry workforce
11 in relation to workforce changes in the aerospace industry in the
12 United States and internationally. To help achieve this public policy
13 objective, it is the legislature's intent to conditionally extend
14 aerospace industry tax preferences until July 1, 2040, in recognition
15 of intent by the state's aerospace industry sector to maintain and
16 grow its workforce within the state.

17 (4) The joint legislative audit and review committee must review
18 the tax preferences provided in this act and report to the
19 legislature by December 1, ~~((2019))~~ 2018, and every five years
20 thereafter. As part of its tax preference reviews, the committee must
21 specifically assess: (a) Changes in aerospace industry employment in
22 Washington in comparison with other states and internationally; (b)
23 aerospace tax and other incentives provided in other states; and (c)
24 whether and to what extent the aerospace tax incentives claimed by
25 our state's largest aerospace firm should be conditional upon an
26 employment standard. To the extent practicable, the committee must
27 use occupational data statistics provided by the bureau of labor
28 statistics and state agencies responsible for administering
29 unemployment insurance to perform ~~((this assessment))~~ the assessment
30 under (a) of this subsection.

31 (5)(a) By December 1, 2015, the employment security department
32 must determine the employment level of a significant aerospace firm
33 and report the determination to the fiscal committees of the
34 legislature.

35 (b) The definitions in this subsection (5)(b) apply throughout
36 this section unless the context clearly requires otherwise.

37 (i) "Employment level" means the average number of employment
38 positions reported to the state employment security department for
39 the months of January through September of calendar year 2015.

1 (ii) "Significant aerospace firm" means a manufacturer that has
2 made a final decision to site a significant commercial airplane
3 manufacturing program in the state under RCW 82.32.850.

4 (c) The employment level of a significant aerospace firm is not
5 confidential information under chapter 50.13 RCW.

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