
SUBSTITUTE SENATE BILL 5328

State of Washington

65th Legislature

2017 Regular Session

By Senate Ways & Means (originally sponsored by Senators Honeyford, Hobbs, Bailey, Becker, Miloscia, Angel, Brown, Sheldon, Rivers, Warnick, and Rossi)

READ FIRST TIME 04/20/17.

1 AN ACT Relating to creating a community aviation revitalization
2 board; reenacting and amending RCW 43.79A.040; and adding a new
3 chapter to Title 47 RCW.

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

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

11 NEW SECTION. **Sec. 2.** (1) The community aviation revitalization
12 board is created to exercise the powers granted under this chapter.

13 (2) The board must consist of the capital budget chair and
14 ranking minority member of the capital budget committee of the house
15 of representatives and the senate ways and means committee, and a
16 representative from both the department of transportation's aviation
17 division and the department of commerce. The board must also consist
18 of the following members appointed by the secretary of
19 transportation: One port district official, one county official, one
20 city official, one representative of airport managers, and one

1 representative of pilots. The appointive members must initially be
2 appointed to terms as follows: Two members for two-year terms, and
3 three members for three-year terms which must include the chair.
4 Thereafter, each succeeding term must be for three years. The chair
5 of the board must be selected by the secretary of transportation. The
6 members of the board must elect one of their members to serve as vice
7 chair. The director of commerce and the secretary of transportation
8 must serve as nonvoting advisory members of the board.

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

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

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

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

29 (7) A majority of members currently appointed constitutes a
30 quorum.

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

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

35 NEW SECTION. **Sec. 3.** (1) Each member of the house of
36 representatives who is appointed to the community aviation
37 revitalization board under section 2 of this act may designate
38 another member from the house of representatives to take his or her
39 place on the board for meetings at which the member will be absent,

1 as long as the designated member belongs to the same caucus. The
2 designee has all of the same powers to vote and participate in board
3 deliberations as the other board members.

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

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

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

30 NEW SECTION. **Sec. 5.** The community aviation revitalization
31 board may:

32 (1) Adopt bylaws for the regulation of its affairs and the
33 conduct of its business;

34 (2) Adopt an official seal and alter the seal at its pleasure;

35 (3) Utilize the services of other governmental agencies;

36 (4) Accept from any federal agency loans or grants for the
37 planning or financing of any project and enter into an agreement with
38 the agency respecting the loans or grants;

1 (5) Conduct examinations and investigations and take testimony at
2 public hearings of any matter material for its information that will
3 assist in determinations related to the exercise of the board's
4 lawful powers;

5 (6) Accept any gifts, grants, loans of funds, property, or
6 financial or other aid in any form from any other source on any terms
7 and conditions that are not in conflict with this chapter;

8 (7) Enter into agreements or other transactions with and accept
9 grants and the cooperation of any governmental agency in furtherance
10 of this chapter;

11 (8) Adopt rules under chapter 34.05 RCW as necessary to carry out
12 the purposes of this chapter; and

13 (9) Perform all acts and things necessary or convenient to carry
14 out the powers expressly granted or implied under this chapter.

15 NEW SECTION. **Sec. 6.** (1) The community aviation revitalization
16 board may make direct loans to political subdivisions of the state
17 and privately owned airports for the purpose of improvements at
18 public use airports that primarily support general aviation
19 activities. The board may provide loans to privately owned airports
20 for the purpose of airport improvements only if the state is
21 receiving commensurate public benefit, such as guaranteed long-term
22 public access to the airport as a condition of the loan. For purposes
23 of this subsection, "public use airports that primarily support
24 general aviation activities" means all public use airports not listed
25 as having more than fifty thousand annual commercial air service
26 passenger enplanements as published by the federal aviation
27 administration.

28 (2) An application for loan funds under this section must be made
29 in the form and manner as the board may prescribe. When evaluating
30 loan applications, the board must prioritize applications that
31 provide conclusive justification that completion of the loan
32 application project will create revenue-generating opportunities. The
33 board is not limited to, but must also use, the following expected
34 outcome conditions when evaluating loan applications:

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

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

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

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

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

8 (3)(a) If the board chooses to require a local match, the board
9 must develop guidelines for local participation and allowable match
10 and activities.

11 (b) An application must:

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

14 (ii) Clearly identify the source of funds intended to repay the
15 loan.

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

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

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

33 (3) The repayment of any loan made from the public use general
34 aviation airport loan revolving account under the contracts for
35 aviation loans must be paid into the public use general aviation
36 airport loan revolving account.

37 NEW SECTION. **Sec. 8.** To enhance competition for loans and the
38 quality of projects for which loans are sought, the community

1 aviation revitalization board must take such reasonable measures as
2 are necessary to familiarize government officials and members of the
3 public with this chapter, particularly the board's authority to make
4 loans.

5 NEW SECTION. **Sec. 9.** The public use general aviation airport
6 loan revolving account is created in the custody of the state
7 treasurer. All receipts from moneys collected under this chapter must
8 be deposited into the account. Expenditures from the account may be
9 used only for the purposes described in section 7(1) of this act.
10 Only the community aviation revitalization board or the board's
11 designee may authorize expenditures from the account. The account is
12 subject to allotment procedures under chapter 43.88 RCW, but an
13 appropriation is not required for expenditures.

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

17 **Sec. 11.** RCW 43.79A.040 and 2016 c 203 s 2, 2016 c 173 s 10,
18 2016 c 69 s 21, and 2016 c 39 s 7 are each reenacted and amended to
19 read as follows:

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

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

28 (3) The investment income account may be utilized for the payment
29 of purchased banking services on behalf of treasurer's trust funds
30 including, but not limited to, depository, safekeeping, and
31 disbursement functions for the state treasurer or affected state
32 agencies. The investment income account is subject in all respects to
33 chapter 43.88 RCW, but no appropriation is required for payments to
34 financial institutions. Payments must occur prior to distribution of
35 earnings set forth in subsection (4) of this section.

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

4 (b) The following accounts and funds must receive their
5 proportionate share of earnings based upon each account's or fund's
6 average daily balance for the period: The 24/7 sobriety account, the
7 Washington promise scholarship account, the Washington advanced
8 college tuition payment program account, the Washington college
9 savings program account, the accessible communities account, the
10 Washington achieving a better life experience program account, the
11 community and technical college innovation account, the agricultural
12 local fund, the American Indian scholarship endowment fund, the
13 foster care scholarship endowment fund, the foster care endowed
14 scholarship trust fund, the contract harvesting revolving account,
15 the Washington state combined fund drive account, the commemorative
16 works account, the county enhanced 911 excise tax account, the toll
17 collection account, the developmental disabilities endowment trust
18 fund, the energy account, the fair fund, the family leave insurance
19 account, the food animal veterinarian conditional scholarship
20 account, the fruit and vegetable inspection account, the future
21 teachers conditional scholarship account, the game farm alternative
22 account, the GET ready for math and science scholarship account, the
23 Washington global health technologies and product development
24 account, the grain inspection revolving fund, the industrial
25 insurance rainy day fund, the juvenile accountability incentive
26 account, the law enforcement officers' and firefighters' plan 2
27 expense fund, the local tourism promotion account, the multiagency
28 permitting team account, the pilotage account, the produce railcar
29 pool account, the public use general aviation airport loan revolving
30 account, the regional transportation investment district account, the
31 rural rehabilitation account, the Washington sexual assault kit
32 account, the stadium and exhibition center account, the youth
33 athletic facility account, the self-insurance revolving fund, the
34 children's trust fund, the Washington horse racing commission
35 Washington bred owners' bonus fund and breeder awards account, the
36 Washington horse racing commission class C purse fund account, the
37 individual development account program account, the Washington horse
38 racing commission operating account, the life sciences discovery
39 fund, the Washington state heritage center account, the reduced
40 cigarette ignition propensity account, the center for childhood

1 deafness and hearing loss account, the school for the blind account,
2 the Millersylvania park trust fund, the public employees' and
3 retirees' insurance reserve fund, and the radiation perpetual
4 maintenance fund.

5 (c) The following accounts and funds must receive eighty percent
6 of their proportionate share of earnings based upon each account's or
7 fund's average daily balance for the period: The advanced right-of-
8 way revolving fund, the advanced environmental mitigation revolving
9 account, the federal narcotics asset forfeitures account, the high
10 occupancy vehicle account, the local rail service assistance account,
11 and the miscellaneous transportation programs account.

12 (d) Any state agency that has independent authority over accounts
13 or funds not statutorily required to be held in the custody of the
14 state treasurer that deposits funds into a fund or account in the
15 custody of the state treasurer pursuant to an agreement with the
16 office of the state treasurer shall receive its proportionate share
17 of earnings based upon each account's or fund's average daily balance
18 for the period.

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

22 NEW SECTION. **Sec. 12.** Sections 1 through 10 of this act
23 constitute a new chapter in Title 47 RCW.

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