SUBSTITUTE SENATE BILL 6217

State of Washington 66th Legislature 2020 Regular Session

By Senate Labor & Commerce (originally sponsored by Senators Keiser, Saldaña, Nguyen, Hasegawa, Conway, and Wilson, C.)

READ FIRST TIME 02/05/20.

- AN ACT Relating to minimum labor standards for certain employees working at an airport or air navigation facility; and amending RCW
- 3 14.08.330 and 14.08.120.

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- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 **Sec. 1.** RCW 14.08.330 and 1985 c 246 s 1 are each amended to 6 read as follows:
 - (1) Every airport and other air navigation facility controlled and operated by any municipality, or jointly controlled and operated pursuant to the provisions of this chapter, shall, subject to federal and state laws, rules, and regulations, be under the exclusive jurisdiction and control of the municipality or municipalities controlling and operating it. The municipality or municipalities shall have concurrent jurisdiction over the adjacent territory described in RCW $14.08.120((\frac{(2)}{2}))$ (1) (b). No other municipality in which the airport or air navigation facility is located shall have any police jurisdiction of the same or any authority to charge or exact any license fees or occupation taxes for the operations. However, by agreement with the municipality operating and controlling the airport or air navigation facility, a municipality in which an airport or air navigation facility is located may be responsible for the administration and enforcement of the uniform fire code, as

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adopted by that municipality under RCW 19.27.040, on that portion of any airport or air navigation facility located within its jurisdictional boundaries.

(2) Nothing in subsection (1) of this section prohibits a municipality that controls or operates a commercial airport that averages five hundred or more scheduled flights per day from enacting a minimum labor standard that applies to employees working at the airport or air navigation facility, or on other property owned by the municipality, or from conditioning a license to perform services at the airport or air navigation facility upon an employer complying with minimum labor standards for employees providing such services, so long as the minimum labor standard meets or exceeds the minimum labor standards enacted by any other municipality in which the airport, air navigation facility, or other property is located. In enacting minimum labor standards pursuant to this subsection (2), the municipality may not enact labor standards that apply to employees of an airline. For the purposes of this subsection (2), "airline" means an air carrier operating interstate routes on a scheduled basis that offers to fly passengers or cargo on the basis of available capacity on regularly scheduled routes.

Sec. 2. RCW 14.08.120 and 2010 c 155 s 1 are each amended to 22 read as follows:

(1) In addition to the general powers conferred in this chapter, and without limitation thereof, a municipality that has established or may hereafter establish airports, restricted landing areas, or other air navigation facilities, or that has acquired or set apart or may hereafter acquire or set apart real property for that purpose or purposes is authorized:

(((1))) (a) To vest authority for the construction, enlargement, improvement, maintenance, equipment, operation, and regulation thereof in an officer, a board, or body of the municipality by ordinance or resolution that prescribes the powers and duties of the officer, board, or body; and the municipality may also vest authority for industrial and commercial development in a municipal airport commission consisting of at least five resident taxpayers of the municipality to be appointed by the governing board of the municipality by an ordinance or resolution that includes (((a))) (i) the terms of office, which may not exceed six years and which shall be staggered so that not more than three terms will expire in the

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1 same year, $((\frac{b}{b}))$ (ii) the method of appointment and filling vacancies, $((\frac{c}{c}))$ <u>(iii)</u> a provision that there shall be 2 3 compensation but may provide for a per diem of not to exceed twentyfive dollars per day plus travel expenses for time spent 4 commission business, $((\frac{d}{d}))$ the powers and duties of the 5 6 commission, and $((\frac{(e)}{(e)}))$ <u>(v)</u> any other matters necessary to the 7 exercise of the powers relating to industrial and commercial development. The expense of the construction, enlargement, 8 improvement, maintenance, equipment, industrial and commercial 9 10 development, operation, and regulation are the responsibility of the 11 municipality.

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 $((\frac{(2)}{(2)}))$ (b) To adopt and amend all needed rules, regulations, and ordinances for the management, government, and use of any properties under its control, whether within or outside the territorial limits of the municipality; to provide fire protection for the airport, including the acquisition and operation of fire protection equipment and facilities, and the right to contract with any private body or political subdivision of the state for the furnishing of such fire protection; to appoint airport guards or police, with full police powers; to fix by ordinance or resolution, as may be appropriate, penalties for the violation of the rules, regulations, ordinances, and enforce those penalties in the same manner in which penalties prescribed by other rules, regulations, and ordinances of the municipality are enforced. For the purposes of such management and government and direction of public use, that part of all highways, roads, streets, avenues, boulevards, and territory that adjoins the limits of any airport or restricted landing area acquired or maintained under the provisions of this chapter is under like control and management of the municipality. It may also adopt and enact rules, regulations, and ordinances designed to safeguard the public upon or beyond the limits of private airports or landing strips within the municipality or its police jurisdiction against the perils and hazards of instrumentalities used in aerial navigation. Rules, regulations, and ordinances shall be published as provided by general law or the charter of the municipality for the publication of similar rules, regulations, and ordinances. They shall conform to and be consistent with the laws of this state and the rules of the state department of transportation and shall be kept in conformity, as nearly as may be, with the then current federal legislation governing

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aeronautics and the regulations duly promulgated thereunder and the rules and standards issued from time to time pursuant thereto.

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 $((\frac{3}{2}))$ (c) To create a special airport fund, and provide that all receipts from the operation of the airport be deposited in the fund, which fund shall remain intact from year to year and may be pledged to the payment of aviation bonds, or kept for future maintenance, construction, or operation of airports or airport facilities.

 $((\frac{4}{1}))$ (d) To lease airports or other air navigation facilities, or real property acquired or set apart for airport purposes, to private parties, any municipal or state government or the national government, or any department thereof, for operation; to lease or assign to private parties, any municipal or state government or the national government, or any department thereof, for operation or use consistent with the purposes of this chapter, space, area, improvements, or equipment of such airports; to authorize its lessees to construct, alter, repair, or improve the leased premises at the cost of the lessee and to reimburse its lessees for such cost, provided the cost is paid solely out of funds fully collected from the airport's tenants; to sell any part of such airports, other air navigation facilities or real property to any municipal or state government, or to the United States or any department or instrumentality thereof, for aeronautical purposes or purposes incidental thereto, and to confer the privileges of concessions of supplying upon its airports goods, commodities, things, services, and facilities: PROVIDED, That in each case in so doing the public is not deprived of its rightful, equal, and uniform use thereof.

(((5))) <u>(e)</u> Acting through its governing body, to sell or lease any property, real or personal, acquired for airport purposes and belonging to the municipality, which, in the judgment of its governing body, may not be required for aircraft landings, aircraft takeoffs or related aeronautic purposes, in accordance with the laws of this state, or the provisions of the charter of the municipality, governing the sale or leasing of similar municipally owned property. The municipal airport commission, if one has been organized and appointed under subsection (1)(a) of this section, may lease any airport property for aircraft landings, aircraft takeoffs, or related aeronautic purposes. If there is a finding by the governing body of the municipality that any airport property, real or personal, is not required for aircraft landings, aircraft takeoffs, or related

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aeronautic purposes, then the municipal airport commission may lease such space, land, area, or improvements, or construct improvements, or take leases back for financing purposes, grant concessions on such space, land, area, or improvements, all for industrial or commercial purposes, by private negotiation and under such terms and conditions that seem just and proper to the municipal airport commission. Any such lease of real property for aircraft manufacturing or aircraft industrial purposes or to any manufacturer of aircraft or aircraft parts or for any other business, manufacturing, or industrial purpose or operation relating to, identified with, or in any way dependent upon the use, operation, or maintenance of the airport, or for any commercial or industrial purpose may be made for any period not to exceed seventy-five years, but any such lease of real property made for a longer period than ten years shall contain provisions requiring the municipality and the lessee to permit the rentals for each fiveyear period thereafter, to be readjusted at the commencement of each such period if written request for readjustment is given by either party to the other at least thirty days before the commencement of the five-year period for which the readjustment is requested. If the parties cannot agree upon the rentals for the five-year period, they shall submit to have the disputed rentals for the period adjusted by arbitration. The lessee shall pick one arbitrator, and the governing body of the municipality shall pick one, and the two so chosen shall select a third. After a review of all pertinent facts the board of arbitrators may increase or decrease such rentals or continue the previous rate thereof.

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The proceeds of the sale of any property the purchase price of which was obtained by the sale of bonds shall be deposited in the bond sinking fund. If all the proceeds of the sale are not needed to pay the principal of bonds remaining unpaid, the remainder shall be paid into the airport fund of the municipality. The proceeds of sales of property the purchase price of which was paid from appropriations of tax funds shall be paid into the airport fund of the municipality.

(((6))) <u>(f)</u> To determine the charges or rental for the use of any properties under its control and the charges for any services or accommodations, and the terms and conditions under which such properties may be used: PROVIDED, That in all cases the public is not deprived of its rightful, equal, and uniform use of the property. Charges shall be reasonable and uniform for the same class of service and established with due regard to the property and improvements used

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and the expense of operation to the municipality. The municipality shall have and may enforce liens, as provided by law for liens and enforcement thereof, for repairs to or improvement or storage or care of any personal property, to enforce the payment of any such charges.

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((+7+)) (g) To impose a customer facility charge upon customers of rental car companies accessing the airport for the purposes of financing, designing, constructing, operating, and maintaining consolidated rental car facilities and common use transportation equipment and facilities which are used to transport the customer between the consolidated car rental facilities and other airport facilities. The airport operator may require the rental car companies to collect the facility charges, and any facility charges so collected shall be deposited in a trust account for the benefit of the airport operator and remitted at the direction of the airport operator, but no more often than once per month. The charge shall be calculated on a per-day basis. Facility charges may not exceed the reasonable costs of financing, designing, constructing, operating, and maintaining the consolidated car rental facilities and common use transportation equipment and facilities and may not be used for any other purpose. For the purposes of this subsection $((\frac{7}{1}))$ (1) (g), if an airport operator makes use of its own funds to finance the consolidated rental car facilities and common use transportation equipment and facilities, the airport operator $((\frac{a}{a}))$ entitled to earn a rate of return on such funds no greater than the interest rate that the airport operator would pay to finance such facilities in the appropriate capital market, provided that the airport operator establish the rate of return in consultation with the rental car companies, and $((\frac{b}{b}))$ (ii) may use the funds earned under $((\frac{1}{2}))$ (q) (i) of this subsection for purposes other than those associated with the consolidated rental car facilities and common use transportation equipment and facilities.

 $((\frac{(+8)}{(+8)}))$ (h) To make airport property available for less than fair market rental value under very limited conditions provided that prior to the lease or contract authorizing such use the airport operator's board, commission, or council has $((\frac{(-4)}{(+2)}))$ (i) adopted a policy that establishes that such lease or other contract enhances the public acceptance of the airport and serves the airport's business interest and $((\frac{(-4)}{(+2)}))$ (ii) adopted procedures for approval of such lease or other contract.

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((+9))) (i) If the airport operator has adopted the policy and procedures under subsection ((+8))) (h) of this section, to lease or license the use of property belonging to the municipality and acquired for airport purposes at less than fair market rental value as long as the municipality's council, board, or commission finds that the following conditions are met:

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- $((\frac{1}{2}))$ <u>(i)</u> The lease or license of the subject property enhances public acceptance of the airport in a community in the immediate area of the airport;
- 10 (((b))) <u>(ii)</u> The subject property is put to a desired public 11 recreational or other community use by the community in the immediate 12 area of the airport;
 - (((c))) <u>(iii)</u> The desired community use and the community goodwill that would be generated by such community use serves the business interest of the airport in ways that can be articulated and demonstrated;
- 17 $((\frac{d}{d}))$ The desired community use does not adversely affect the capacity, security, safety, or operations of the airport;
 - $((\frac{(e)}{(e)}))$ <u>(v)</u> At the time the community use is contemplated, the subject property is not reasonably expected to be used by an aeronautical tenant or otherwise be needed for airport operations in the foreseeable future;
- $((\frac{f}{f}))$ <u>(vi)</u> At the time the community use is contemplated, the subject property would not reasonably be expected to produce more than de minimis revenue;
 - $((\frac{(g)}{(g)}))$ <u>(vii)</u> If the subject property can be reasonably expected to produce more than de minimis revenue, the community use is permitted only where the revenue to be earned from the community use would approximate the revenue that could be generated by an alternate use;
- 31 (((h))) <u>(viii)</u> Leases for community use must not preclude reuse 32 of the subject property for airport purposes if, in the opinion of 33 the airport owner, reuse of the subject property would provide 34 greater benefits to the airport than continuation of the community 35 use;
- 36 $((\frac{1}{2}))$ <u>(ix)</u> The airport owner ensures that airport revenue does not support the capital or operating costs associated with the community use;

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 $((\frac{1}{2}))$ (x) The lease or other contract for community use is not to a for-profit organization or for the benefit of private individuals;

 $((\frac{k}{k}))$ (xi) The lease or other contract for community use is subject to the requirement that if the term of the lease is for a period that exceeds ten years, the lease must contain a provision allowing for a readjustment of the rent every five years after the initial ten-year term;

 $((\frac{1}{1}))$ <u>(xii)</u> The lease or other contract for community use is subject to the requirement that the term of the lease must not exceed fifty years; and

((\(\frac{(m)}{)}\)) (xiii) The lease or other contract for community use is subject to the requirement that if the term of the lease exceeds one year, the lease or other contract obligations must be secured by rental insurance, bond, or other security satisfactory to the municipality's board, council, or commission in an amount equal to at least one year's rent, or as consistent with chapter 53.08 RCW. However, the municipality's board, council, or commission may waive the rent security requirement or lower the amount of the rent security requirement for good cause.

(((10))) To exercise all powers necessarily incidental to the exercise of the general and special powers granted in this section.

(2) Nothing in subsection (1) of this section prohibits a municipality that controls or operates a commercial airport that averages five hundred or more scheduled flights per day from enacting a minimum labor standard that applies to employees working at the airport or air navigation facility, or on other property owned by the municipality, or from conditioning a license to perform services at the airport or air navigation facility upon an employer complying with minimum labor standards for employees providing such services, so long as the minimum labor standard meets or exceeds the minimum labor standards enacted by any other municipality in which the airport, air navigation facility, or other property is located. In enacting minimum labor standards pursuant to this subsection (2), the municipality may not enact labor standards that apply to employees of an airline. For the purposes of this subsection (2), "airline" means an air carrier operating interstate routes on a scheduled basis that

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- 1 offers to fly passengers or cargo on the basis of available capacity
- 2 <u>on regularly scheduled routes.</u>

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