S-4852.1

SECOND SUBSTITUTE SENATE BILL 5955

State of Washington 68th Legislature 2024 Regular Session

By Senate Ways & Means (originally sponsored by Senators Keiser, Hasegawa, Kauffman, Nguyen, and C. Wilson)

READ FIRST TIME 02/05/24.

AN ACT Relating to mitigating harm and improving equity in large port districts; amending RCW 53.54.020, 53.54.030, and 53.54.040; adding a new section to chapter 43.330 RCW; adding a new section to chapter 53.20 RCW; and creating a new section.

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

6 <u>NEW SECTION.</u> Sec. 1. Airports are an important part of 7 Washington's economy. Airports enable travel for business or 8 recreation, allow for the transportation of cargo, and provide 9 thousands of jobs for the people of the state.

For those living near an airport, there can also be adverse impacts from aircraft operations. In King county, the majority of people identifying as Black, Hispanic, Native Hawaiian, or Pacific Islander live within 10 miles of Seattle-Tacoma international airport.

Large port districts operating commercial service airports that administer aircraft noise mitigation programming have expressed a desire and intention to repair or replace aircraft noise mitigation equipment that has been found to be no longer working as intended or is reported to have caused additional hazards or structural damage to the property. Large port districts are restricted to use local,

nonairport resources to address such equipment due to limitations
 imposed by federal regulations.

Ensuring the efficacy of existing noise mitigation equipment, and the repair or replacement of equipment that has caused hazards or structural damage to the property serves a fundamental governmental purpose and thereby provides wider public benefit to the citizens of Washington.

8 The legislature intends to partner with port districts operating 9 large airports in the state and impacted areas to provide resources 10 to repair or replace noise mitigation equipment that has been found 11 to be no longer working as intended, or is found to have caused 12 additional hazards or structural damage to the property, and to 13 address the impacts of aircraft operations that are faced by impacted 14 areas.

15 With this partnership and resources large airports can be more 16 responsive, more effectively and quickly address relevant noise 17 mitigation equipment, and help uphold the values of respect, 18 antiracism, equity, and stewardship.

19 Sec. 2. RCW 53.54.020 and 2020 c 105 s 2 are each amended to 20 read as follows:

21 (1) Prior to initiating programs as authorized in this chapter, 22 the port commission shall undertake the investigation and monitoring of aircraft noise impact to determine the nature and extent of the 23 24 impact. The port commission shall adopt a program of noise impact 25 abatement based upon the investigations and as amended periodically 26 to conform to needs demonstrated by the monitoring programs. In no 27 case may the port district undertake any of the programs prescribed in this chapter in an area that is: 28

29 (a) More than ((ten)) <u>10</u> miles beyond the paved north end of any 30 runway;

31 (b) More than ((thirteen)) <u>13</u> miles beyond the paved south end of 32 any runway; or

33 (c) More than two miles from the centerline of any runway ((ten)) 34 <u>10</u> miles north and ((thirteen)) <u>13</u> miles south from the paved end of 35 such runway.

36 (2) ((Such areas as determined in this section,)) Areas within 37 which a port district may undertake a program authorized in this 38 chapter shall be known as "impacted areas."

p. 2

1 Sec. 3. RCW 53.54.030 and 2021 c 65 s 3 are each amended to read 2 as follows:

3 (1) For the purposes of this chapter, in developing a remedial
4 program, the port commission may take steps as appropriate including,
5 but not limited to, one or more of the following programs:

6 (a) Acquisition of property or property rights within the 7 impacted area, which shall be deemed necessary to accomplish a port 8 purpose. The port district may purchase such property or property 9 rights by time payment notwithstanding the time limitations provided 10 for in RCW 53.08.010. The port district may mortgage or otherwise 11 pledge any such properties acquired to secure such transactions. The 12 port district may assume any outstanding mortgages.

(b) Transaction assistance programs, including assistance with real estate fees and mortgage assistance, and other neighborhood remedial programs as compensation for impacts due to aircraft noise and noise associated conditions. Any such programs shall be in connection with properties located within an impacted area and shall be provided upon terms and conditions as the port district shall determine appropriate.

20 (c) Programs of soundproofing structures located within an 21 impacted area. Such programs may be executed without regard to the 22 ownership, provided the owner waives damages and conveys an easement 23 for the operation of aircraft, and for noise and noise associated 24 conditions therewith, to the port district.

25 (d) Mortgage insurance of private owners of lands or improvements 26 within such noise impacted area where such private owners are unable to obtain mortgage insurance solely because of noise impact. In this 27 regard, the port district may establish reasonable regulations and 28 may impose reasonable conditions and charges upon the granting of 29 such mortgage insurance. Such mortgage insurance fees and charges 30 31 shall at no time exceed fees established for federal mortgage 32 insurance programs for like service.

33 (e) Management of all lands, easements, or development rights34 acquired, including but not limited to the following:

(i) Rental of any or all lands or structures acquired;

35

36 (ii) Redevelopment of any such lands for any economic use 37 consistent with airport operations, local zoning and the state 38 environmental policy;

39 (iii) Sale of such properties for cash or for time payment and 40 subjection of such property to mortgage or other security

р. З

1 transaction: PROVIDED, That any such sale shall reserve to the port 2 district by covenant an unconditional right of easement for the 3 operation of all aircraft and for all noise or noise conditions 4 associated therewith.

5 (2)(a) An individual property may be provided benefits by the 6 port district under each of the programs described in subsection (1) 7 of this section. However, an individual property may not be provided 8 benefits under any one of these programs more than once, unless the 9 property:

10 (i) Is subjected to increased aircraft noise or differing 11 aircraft noise impacts that would have afforded different levels of 12 mitigation, even if the property owner had waived all damages and 13 conveyed a full and unrestricted easement; or

(ii) Contains a soundproofing installation, structure, or other type of sound mitigation equipment product or benefit previously installed pursuant to the remedial program under this chapter by the port district that is determined through inspection to be in need of a repair or replacement.

19 (b) Port districts choosing to exercise the authority under (a) (ii) of this subsection are required to conduct inspections of 20 21 homes where mitigation improvements are no longer working as 22 intended. In those properties, port districts ((must work with a 23 state certified building inspector)) may contract with building inspectors or other professionals with experience in sound testing, 24 25 or window and door installs, or port districts may enter into an interlocal agreement under chapter 39.34 RCW with the county in which 26 the port is located to contract for the provision of building 27 inspectors or professionals with experience in sound testing, or 28 29 window and door installs to determine whether package failure resulted in additional hazards or structural damage to the property. 30 31 Any expense incurred by the county related to contracting of a 32 building inspector or professional under this subsection (2)(b) must be reimbursed by the port district. A port district may use funds 33 from the grant program created under section 5 of this act to 34 reimburse the county for expenses incurred for the contracting of a 35 36 building inspector or other professional.

37 (c) Port districts choosing to exercise their authority under (b) 38 of this subsection may apply to the grant program created under 39 section 5 of this act for resources to facilitate the assessment and 40 inspection of noise mitigation equipment that is no longer working as

1 intended, or is reported to have caused additional hazards or

2 <u>structural damage to the property.</u>

3 (d) If a building inspector or other professional contracted pursuant to (c) of this subsection identifies that a property's noise 4 mitigation equipment is no longer working as intended, then the 5 6 associated port district must apply to the grant program created 7 under section 5 of this act for resources to repair or replace existing noise mitigation equipment. If an inspection confirms that 8 installation of noise mitigation equipment resulted in additional 9 hazards or structural damage to the property, then a port district 10 must apply to the grant program under section 5 of this act for 11 12 resources to address those hazards or damages.

13 (3) A property shall be considered within the impacted area if 14 any part thereof is within the impacted area.

15 Sec. 4. RCW 53.54.040 and 1974 ex.s. c 121 s 4 are each amended 16 to read as follows:

A port district may establish a fund to be utilized in 17 18 effectuating the intent of this chapter. The port district may finance such fund by: The proceeds of any grants or loans made by 19 20 federal agencies; the proceeds of any grants made by the department 21 of commerce pursuant to section 5 of this act; rentals, charges, and 22 other revenues as may be generated by programs authorized by this 23 chapter, airport revenues; and revenue bonds based upon such 24 revenues. The port district may also finance such fund, as necessary, 25 in whole or in part, with the proceeds of general obligation bond issues of not more than one-eighth of one percent of the value of 26 taxable property in the port district: PROVIDED, That any such bond 27 28 issue shall be in addition to bonds authorized by RCW 53.36.030: PROVIDED FURTHER, That any such general obligation bond issue may be 29 30 subject to referendum by petition as provided by county charter, the 31 same as if it were a county ordinance.

32 <u>NEW SECTION.</u> Sec. 5. A new section is added to chapter 43.330 33 RCW to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the department of commerce shall administer a grant program to provide assistance to qualifying port districts for expenses related to noise mitigation pursuant to RCW 53.54.030(2) (c) and (d).

1 (2) The department of commerce shall prepare and publish an annual report on its website detailing grants made under this 2 section. The report must include: (a) The number of inspectors or 3 other professionals contracted; (b) the number of 4 inspections conducted; (c) the number of properties provided with new or improved 5 6 noise mitigation equipment subsequent to an inspection; (d) the 7 number of properties receiving funds to address hazards or damages proven by an inspection to be associated with the installation of 8 noise mitigation equipment; and (e) the number of 9 inspected properties where no repairs occurred and the reasons why. 10

(3) A qualifying port district receiving funds under this section may commit to matching, from port district funds not subject to federal airport revenue use requirements, at least half of the total funding provided by the legislature under section 6 of this act for the purposes of noise mitigation under RCW 53.54.030(2) (c) and (d) each fiscal year.

17 (4) For the purposes of this section, "qualifying port district" 18 means a port district authorized to undertake programs for the 19 abatement of aircraft noise under RCW 53.54.010.

20 <u>NEW SECTION.</u> Sec. 6. A new section is added to chapter 53.20 21 RCW to read as follows:

22 (1) The port district equity fund is created in the state treasury. Receipts from the state portion of retail sales and use tax 23 24 imposed on qualifying construction projects must be deposited into 25 the account, as provided in subsection (4) of this section. Expenditures from the account may only be used to make grants to port 26 27 districts to supplement noise mitigation programming pursuant to RCW 28 53.54.030(2) (c) and (d). Moneys in the account may only be spent after appropriation. 29

30 (2) The department of commerce shall provide management services 31 for the port district equity fund. The department shall establish 32 procedures for fund management. The department shall develop the 33 grant criteria, monitor the grant program, and select grant 34 recipients.

35 (3) The department of commerce shall prepare and publish an 36 annual report on its website detailing grants made under this 37 section, the uses to which the grants have been put, and the benefits 38 that have been realized.

1 (4) (a) The department of commerce, in consultation with a port district receiving grant funding under section 5 of this act, must 2 maintain a list of retail sales and use tax collected under RCW 3 82.08.020 and 82.12.020 on qualifying construction projects and 4 remitted to the state each prior calendar year. A port district must 5 collect and maintain any documentation deemed necessary by the 6 7 department of commerce in determining the amount of retail sales and use tax remitted to the state from qualifying construction projects 8 each prior calendar year and provide that information to the 9 department of commerce. 10

(b) The department of commerce must notify the state treasurer of the amount of retail sales and use tax remitted to the state from qualifying construction projects in the prior calendar year. The state treasurer must transfer from the general fund to this account any retail sales and use tax remitted to the state from qualifying construction projects in an amount not to exceed \$10,000,000 each fiscal year.

18 (c) For the purposes of this section, "qualifying construction 19 projects" means any capital construction project at a commercial 20 service airport operating a noise mitigation program pursuant to RCW 21 53.54.030.

--- END ---