
HOUSE BILL 2337

State of Washington

61st Legislature

2009 Regular Session

By Representative Chase

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 offers one of the world's most outstanding
7 natural environments and qualities of life. It also possesses abundant
8 social capital, affordable housing, vibrant cultural and arts
9 organizations, and an innovative, creative workforce that is in high
10 demand;

11 (b) The state is recognized as having a first rate business
12 climate, as evidenced by its:

13 (i) 2008 national magazine ranking as the third best state to do
14 business and as the sole state in the top five in the labor, regulatory
15 environment, and growth categories;

16 (ii) 2008 national small business survival index ranking as the
17 fifth best state in terms of tax relief and regulatory reform that
18 benefits small businesses; and

1 (iii) 2009 national business think-tank ranking as the twelfth best
2 state in terms of business-friendly tax environment;

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

14 (d) Historically, during downturns in the Puget Sound economy,
15 citizens have demonstrated that "innovation is in our nature" by
16 greatly increasing their patent development activities with a resulting
17 explosion of patents granted.

18 (2) The legislature intends to capitalize upon the state's positive
19 business climate, its locally owned and operated businesses, and its
20 creative, competent workforce to be the catalysts for Washington's
21 economic renewal and recovery.

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

24 (1) The department shall consider the societal benefits of
25 unleashing the innovative, creative, and entrepreneurial talents of the
26 Washington state workforce to "innovate here" through application
27 development and patent commercialization for the aerospace industry.

28 (2) Using existing resources, the department must immediately
29 engage in a worldwide search for potential investors in aerospace plant
30 and equipment in Washington state. The department is encouraged to
31 pursue direct foreign investment by the global aerospace sector. The
32 department shall invite aerospace manufacturing companies to "choose
33 Washington" for their next expansion by featuring the aerospace
34 manufacturing industry tax incentives, fee waivers, expenditure
35 discounts, and any other preferences approved by the legislature in
36 2003 including:

37 (a) Income tax credits;

- 1 (b) Sales and use tax exemptions and refunds;
- 2 (c) Real and personal property tax abatements;
- 3 (d) Infrastructure grants and technical assistance;
- 4 (e) Free or discounted land and buildings;
- 5 (f) Low-cost financing for capital expenditures;
- 6 (g) Utility discounts;
- 7 (h) Waiver of permit fees;
- 8 (i) Expedited permits;
- 9 (j) Environmental and pollution control incentives;
- 10 (k) Federal and state research and development credits;
- 11 (l) Wage rebates;
- 12 (m) Job creation tax incentives;
- 13 (n) Employee training grants and credits;
- 14 (o) Federal and state targeted employment credits;
- 15 (p) Hiring and employee screening assistance; and
- 16 (q) Any additional available preferences.

17 (3) The department must assist small businesses that are locally
18 owned and operated by enterprising engineers, machinists, mechanics,
19 and other innovators in commercializing their patents and innovations.
20 The department must partner with Washington manufacturing services to
21 ensure that these new enterprises have access to advanced manufacturing
22 processes.

23 (4) The department shall work in partnership with all major
24 stakeholders on efforts to recruit new investors and to retain and
25 expand the existing aerospace industry cluster.

26 (5) The department must submit a written report to appropriate
27 legislative committees every six months regarding the number of
28 potential investors contacted, the amount of private capital invested,
29 the number and type of patent applications submitted and granted,
30 product commercialization achieved, jobs created and retained, and
31 other relevant information. The department, in consultation with the
32 department of revenue, must feature in the report the specific
33 preferences and incentives used by the state to attract, retain, and
34 expand aerospace businesses and jobs.

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