

1 (1) "Aerospace company" means an entity that is primarily engaged
2 in the research, design, manufacture, assembly, or sale of completed
3 products for use in commercial or governmental aviation and avionics.

4 (2) "Board" means the board of advisors of the Washington aerospace
5 training and research coordination institute.

6 (3) "Executive director" means the executive director of the
7 institute.

8 (4) "Institute" means the Washington state aerospace training and
9 coordination institute.

10 (5) "Skill centers" has the same meaning as provided in RCW
11 28A.245.010.

12 NEW SECTION. **Sec. 103.** (1) The Washington state aerospace
13 training and coordination institute is created. The goal and purpose
14 of the institute is to enhance the vitality of the aerospace industry
15 through improving the state's aerospace training, education, research,
16 and development programs by coordinating, providing, and developing
17 curricula for a statewide consortium of schools and programs that
18 provide aerospace workforce education and training.

19 (2) The institute must concentrate its efforts on providing the
20 highest quality training and education programs, fostering the creation
21 and retention of family wage jobs, integrating cutting edge research
22 and development into the training and education of a skilled workforce,
23 and facilitating growth and innovation in the aerospace industry.

24 (3) The institute must emphasize public-private partnership and
25 provide a forum for effective interaction, collaboration, and
26 partnerships between and among the state's aerospace industry, labor,
27 institutions of higher education, workforce training and education
28 coordinating board, innovation partnership zones, and other relevant
29 and appropriate public and private entities.

30 NEW SECTION. **Sec. 104.** (1) The institute must be headquartered in
31 Snohomish county and overseen by a board of advisors.

32 (2) The board must consist of the following members:

33 (a) One representative from the machinist trade;

34 (b) One representative from professional aerospace engineering
35 associations;

1 (c) One representative from an aerospace company with sixty
2 thousand employees or more;

3 (d) Two representatives from an aerospace company with less than
4 sixty thousand but more than two hundred employees;

5 (e) Two representatives from an aerospace company with less than
6 two hundred employees;

7 (f) One representative from a four-year state public higher
8 education institution located in a county with a population of one
9 million or more residents;

10 (g) One representative from a four-year state public higher
11 education institution located east of the crest of the Cascade
12 mountains with student enrollment of seventeen thousand or more;

13 (h) One representative from the higher education coordinating
14 board;

15 (i) One representative from the state board for community and
16 technical colleges;

17 (j) One representative from the workforce training and education
18 coordinating board; and

19 (k) One representative from the office of the superintendent of
20 public instruction.

21 (3) The term of office for each board member, excluding the
22 representatives from the higher education coordinating board, state
23 board for community and technical colleges, workforce training and
24 education coordinating board, office of the superintendent of public
25 instruction, and institutions of higher education, is three years. The
26 executive director of the institute must be an ex officio, nonvoting
27 member of the board. Except for the representative from the office of
28 the superintendent of public instruction, board members must be
29 appointed by the governor. The governor must stagger the terms of the
30 first group of appointees to ensure the long-term continuity of the
31 board. The board must meet at least quarterly.

32 (4) The duties of the board include:

33 (a) Developing the general operating policies for the institute;

34 (b) Appointing the executive director of the institute;

35 (c) Adopting the biennial operating budget of the institute;

36 (d) Developing and maintaining on a biennial basis a state
37 comprehensive plan on aerospace training and education programs;

1 (e) Developing a program in partnership with the office of the
2 superintendent of public instruction and the skill centers that will
3 generate interest and prepare students for postsecondary education,
4 careers, employment, and apprenticeships in the aerospace industry;

5 (f) Establishing and maintaining an inventory of aerospace training
6 programs and research and development discoveries at the two and four-
7 year colleges and universities and assess the extent to which the
8 programs represent a consistent, coordinated, efficient, and integrated
9 approach to meet the training needs of the aerospace industry;

10 (g) Evaluating how research and development discoveries from
11 institutions of higher education must be incorporated into aerospace
12 training programs;

13 (h) Coordinating a yearly forum in partnership with the center for
14 aerospace technology innovation to promote research and development
15 discoveries;

16 (i) Producing a biennial report to the governor, legislature, and
17 the entities represented on the board on progress by the institute in
18 evaluating the state's aerospace training programs and meeting the
19 other obligations of this chapter, as well as including recommendations
20 for any statutory changes necessary to enhance operational efficiencies
21 or improve coordination.

22 (j) The board may enter into contracts to fulfill its
23 responsibilities and purposes under this chapter.

24 NEW SECTION. **Sec. 105.** (1) The board must employ an executive
25 director and may delegate management to the director. The director
26 must:

27 (a) Serve at the pleasure of the board;

28 (b) Be the executive officer of the board; and

29 (c) Administer the provisions of this chapter under the board's
30 supervision.

31 (2) The executive director must, with the approval of the board:

32 (a) Employ necessary deputy exempt staff under chapter 41.06 RCW who
33 serve at his or her pleasure on such terms and conditions as he or she
34 determines and (b) subject to the provisions of chapter 41.06 RCW,
35 appoint and employ such other employees as may be required for the
36 proper discharge of the functions of the institute.

1 (3) The executive director must exercise such additional powers,
2 other than rule making, as may be delegated by the board by resolution.

3 (4) In fulfilling the duties under this chapter, the board must
4 make extensive use of those state agencies with responsibility for
5 implementing and supporting the plans of the aerospace training and
6 research coordination institute.

7 NEW SECTION. **Sec. 106.** (1) The institute may receive gifts,
8 grants, or endowments from public or private sources that are made from
9 time to time, in trust or otherwise, for the use and benefit of the
10 purposes of the institute and spend gifts, grants, or endowments or
11 income from the public or private sources according to their terms,
12 unless the receipt of the gifts, grants, or endowments violates RCW
13 42.17.710.

14 (2) The institute may accept appropriate financial support levels
15 by private business, community groups, foundations, and individuals.

16 NEW SECTION. **Sec. 107.** A new section is added to chapter 43.42
17 RCW to read as follows:

18 The Washington aerospace futures account is created in the custody
19 of the state treasurer. The governor may authorize expenditures from
20 the account. Expenditures from the account may be made only for the
21 purpose of statewide aerospace workforce and industry development,
22 including programs and activities related to workforce training and
23 education, research and development, and aerospace industry retention
24 and expansion. Administrative expenses, including staff support, may
25 be paid from the account. Revenues to the account consist of moneys
26 received from grants and donations, funds administered under the
27 governor's discretion that are deposited into the account, and moneys
28 received pursuant to legislative appropriations.

29 **PART II**

30 **UNIVERSITY OF WASHINGTON--CENTER FOR AEROSPACE**

31 NEW SECTION. **Sec. 201.** (1) The legislature finds that
32 Washington's aerospace industry is important to the economic vitality
33 of the state and provides opportunities for the citizens of the state.
34 The legislature finds that there is a need for coordination among the

1 training and education programs referred to in sections 101 through 107
2 of this act and research and development of new aerospace technologies
3 under this center as well as existing private and public universities.

4 (2) The legislature also finds that it is in the interests of the
5 state of Washington to provide a mechanism to transfer and apply
6 research and technology developed at the institutions of higher
7 education to the private sector in order to create new products and
8 technologies which provide job opportunities in the aerospace industry.

9 (3) It is the intent of the legislature that the University of
10 Washington, Washington State University, and the department of commerce
11 must work cooperatively with the private sector in the development and
12 implementation of research and new technology.

13 NEW SECTION. **Sec. 202.** The definitions in this section apply
14 throughout this chapter unless the context clearly requires otherwise.

15 (1) "Aerospace company" means an entity that is primarily engaged
16 in the research, design, manufacture, assembly, or sale of completed
17 products for use in commercial or governmental aviation and avionics.

18 (2) "Board" means the board of directors of the center for
19 aerospace technology innovation.

20 (3) "Center" means the center for aerospace technology innovation,
21 including the affiliated staff, faculty, facilities, and research
22 centers operated by the center.

23 (4) "Executive director" means the executive director of the
24 center.

25 NEW SECTION. **Sec. 203.** The center for aerospace technology
26 innovation is created. The center is to lead a collaborative effort
27 between the state's universities, private industry, and government for
28 the aerospace industry. The center must be headquartered at the
29 University of Washington. The mission of the center is to advance the
30 research and development of new aerospace technologies on a statewide
31 basis that benefits the intermediate and long-term economic vitality of
32 the state through increasing the competitive capacity of the state and
33 the aerospace industry, and to develop and strengthen university-
34 industry relationships through the conduct of research that relates to
35 the interest of the state and the aerospace industry. The center must:

1 (1) Perform and/or facilitate research supportive of state science
2 and technology objectives, particularly as they relate to aerospace;

3 (2) Provide leading edge collaborative research in the aerospace
4 field;

5 (3) Emphasize and develop nonstate support of the center's research
6 activities; and

7 (4) Provide a venue for effective interaction between the state's
8 academic research institutions and the aerospace industry through the
9 promotion of faculty collaboration with industry, particularly within
10 the state.

11 NEW SECTION. **Sec. 204.** (1) The center must be overseen by the
12 board of directors of the center.

13 (2) The board must consist of the following members:

14 (a) The provost of the University of Washington or his or her
15 designated representative;

16 (b) The provost of the Washington State University or his or her
17 designated representative;

18 (c) The director of the department of commerce or his or her
19 designated representative;

20 (d) One representative from an aerospace company with sixty
21 thousand employees or more; and

22 (e) One representative from an aerospace company with less than
23 sixty thousand employees.

24 (3) The term of office for each board member, excluding the provost
25 of the University of Washington, the provost of Washington State
26 University, and the department of commerce, is three years. The
27 executive director of the center must be an ex officio, nonvoting
28 member of the board. Board members from the aerospace companies must
29 be appointed by the governor. The governor must stagger the terms of
30 the two aerospace representatives to ensure the long-term continuity of
31 the board. The board must meet at least quarterly.

32 (4) The board must contract with the University of Washington to
33 provide such services as necessary for the operation of the center and
34 implementation of the duties of the center.

35 (5) The duties of the board include:

36 (a) Developing the general operating policies for the center;

37 (b) Appointing the executive director of the center;

- 1 (c) Adopting the biennial operating budget of the center;
- 2 (d) Establishing eligibility criteria for the selection and funding
3 of research projects that guarantee the greatest potential return on
4 the state's investment;
- 5 (e) Approving and allocating funding for research projects
6 conducted by the center, based on the recommendations from faculty and
7 aerospace companies;
- 8 (f) Coordinating a yearly forum in partnership with the Washington
9 state aerospace training and coordination institute to promote research
10 and development discoveries;
- 11 (g) Developing a biennial work plan and five-year strategic plan
12 for the center;
- 13 (h) Coordinating with the University of Washington and Washington
14 State University in the development of research and development
15 programs to be conducted at the center to enhance the vitality of the
16 state and the aerospace industry;
- 17 (i) Reviewing annual progress reports on funded research projects;
18 and
- 19 (j) Providing a biennial report to the governor, the legislature,
20 and the universities detailing the activities, performance, roles, and
21 contractual obligations of the center.

22 NEW SECTION. **Sec. 205.** The center may receive gifts, grants, or
23 endowments from public or private sources that are made from time to
24 time, in trust or otherwise, for the use and benefit of the purpose of
25 the center and spend gifts, grants, or endowments or income from the
26 public or private sources according to their terms, unless the receipt
27 of the gifts, grants, or endowments violates RCW 42.17.710.

28 NEW SECTION. **Sec. 206.** The sum of three million dollars, or as
29 much thereof as may be necessary, is appropriated for the fiscal year
30 ending June 30, 2010, from the general fund to the University of
31 Washington for the purposes of this act.

32 **PART III**
33 **RETAIL SALES TAX**

1 NEW SECTION. **Sec. 301.** A new section is added to chapter 82.08
2 RCW to read as follows:

3 (1) Four-year institutions are eligible for an exemption in the
4 form of a remittance for tax paid under RCW 82.08.020 on:

5 (a) Services rendered in respect to installing, repairing,
6 cleaning, altering, or improving equipment directly incurred may be
7 used in aerospace product development; or

8 (b) Tangible personal property that is consumed or becomes a
9 component of aerospace product development.

10 (2) For purposes of this section:

11 (a) "Four-year institutions" has the same meaning as provided in
12 RCW 28B.76.020; and

13 (b) "Aerospace product development" has the same meaning as
14 provided in RCW 82.04.4461.

15 (3)(a) The amount of the remittance under this section is based on
16 the state share of sales tax.

17 (b) A person claiming an exemption from state tax in the form of a
18 remittance under this section must pay the tax imposed by RCW
19 82.08.020. The buyer may then apply to the department for remittance
20 of all or part of the tax paid under RCW 82.08.020.

21 (c) The department must determine eligibility under this section
22 based on information provided by the buyer and through audit and other
23 administrative records. On a quarterly basis the buyer must submit an
24 information sheet, in a form and manner as required by the department
25 specifying the amount of exempted tax claimed and the qualifying
26 purchases or acquisitions for which the exemption is claimed. The
27 buyer must retain, in adequate detail to enable the department to
28 determine whether the services or tangible personal property meets the
29 criteria under this section: Invoices; proof of tax paid; and
30 documents describing the services or tangible personal property.

31 (d) On a quarterly basis the department must remit exempted amounts
32 to qualifying public educational or research institutions who submitted
33 applications during the previous quarter.

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PART IV
MISCELLANEOUS PROVISIONS

1 **Sec. 401.** RCW 43.84.092 and 2009 c 479 s 31, 2009 c 472 s 5, and
2 2009 c 451 s 8 are each reenacted and amended to read as follows:

3 (1) All earnings of investments of surplus balances in the state
4 treasury shall be deposited to the treasury income account, which
5 account is hereby established in the state treasury.

6 (2) The treasury income account shall be utilized to pay or receive
7 funds associated with federal programs as required by the federal cash
8 management improvement act of 1990. The treasury income account is
9 subject in all respects to chapter 43.88 RCW, but no appropriation is
10 required for refunds or allocations of interest earnings required by
11 the cash management improvement act. Refunds of interest to the
12 federal treasury required under the cash management improvement act
13 fall under RCW 43.88.180 and shall not require appropriation. The
14 office of financial management shall determine the amounts due to or
15 from the federal government pursuant to the cash management improvement
16 act. The office of financial management may direct transfers of funds
17 between accounts as deemed necessary to implement the provisions of the
18 cash management improvement act, and this subsection. Refunds or
19 allocations shall occur prior to the distributions of earnings set
20 forth in subsection (4) of this section.

21 (3) Except for the provisions of RCW 43.84.160, the treasury income
22 account may be utilized for the payment of purchased banking services
23 on behalf of treasury funds including, but not limited to, depository,
24 safekeeping, and disbursement functions for the state treasury and
25 affected state agencies. The treasury income account is subject in all
26 respects to chapter 43.88 RCW, but no appropriation is required for
27 payments to financial institutions. Payments shall occur prior to
28 distribution of earnings set forth in subsection (4) of this section.

29 (4) Monthly, the state treasurer shall distribute the earnings
30 credited to the treasury income account. The state treasurer shall
31 credit the general fund with all the earnings credited to the treasury
32 income account except:

33 The following accounts and funds shall receive their proportionate
34 share of earnings based upon each account's and fund's average daily
35 balance for the period: The aeronautics account, the aircraft search
36 and rescue account, the budget stabilization account, the capitol
37 building construction account, the Cedar River channel construction and
38 operation account, the Central Washington University capital projects

1 account, the charitable, educational, penal and reformatory
2 institutions account, the cleanup settlement account, the Columbia
3 river basin water supply development account, the common school
4 construction fund, the county arterial preservation account, the county
5 criminal justice assistance account, the county sales and use tax
6 equalization account, the data processing building construction
7 account, the deferred compensation administrative account, the deferred
8 compensation principal account, the department of licensing services
9 account, the department of retirement systems expense account, the
10 developmental disabilities community trust account, the drinking water
11 assistance account, the drinking water assistance administrative
12 account, the drinking water assistance repayment account, the Eastern
13 Washington University capital projects account, the education
14 construction fund, the education legacy trust account, the election
15 account, the energy freedom account, the energy recovery act account,
16 the essential rail assistance account, The Evergreen State College
17 capital projects account, the federal forest revolving account, the
18 ferry bond retirement fund, the freight congestion relief account, the
19 freight mobility investment account, the freight mobility multimodal
20 account, the grade crossing protective fund, the public health services
21 account, the health system capacity account, the personal health
22 services account, the high capacity transportation account, the state
23 higher education construction account, the higher education
24 construction account, the highway bond retirement fund, the highway
25 infrastructure account, the highway safety account, the high occupancy
26 toll lanes operations account, the industrial insurance premium refund
27 account, the judges' retirement account, the judicial retirement
28 administrative account, the judicial retirement principal account, the
29 local leasehold excise tax account, the local real estate excise tax
30 account, the local sales and use tax account, the medical aid account,
31 the mobile home park relocation fund, the motor vehicle fund, the
32 motorcycle safety education account, the multimodal transportation
33 account, the municipal criminal justice assistance account, the
34 municipal sales and use tax equalization account, the natural resources
35 deposit account, the oyster reserve land account, the pension funding
36 stabilization account, the perpetual surveillance and maintenance
37 account, the public employees' retirement system plan 1 account, the
38 public employees' retirement system combined plan 2 and plan 3 account,

1 the public facilities construction loan revolving account beginning
2 July 1, 2004, the public health supplemental account, the public
3 transportation systems account, the public works assistance account,
4 the Puget Sound capital construction account, the Puget Sound ferry
5 operations account, the Puyallup tribal settlement account, the real
6 estate appraiser commission account, the recreational vehicle account,
7 the regional mobility grant program account, the resource management
8 cost account, the rural arterial trust account, the rural Washington
9 loan fund, the site closure account, the small city pavement and
10 sidewalk account, the special category C account, the special wildlife
11 account, the state employees' insurance account, the state employees'
12 insurance reserve account, the state investment board expense account,
13 the state investment board commingled trust fund accounts, the state
14 patrol highway account, the state route number 520 corridor account,
15 the supplemental pension account, the Tacoma Narrows toll bridge
16 account, the teachers' retirement system plan 1 account, the teachers'
17 retirement system combined plan 2 and plan 3 account, the tobacco
18 prevention and control account, the tobacco settlement account, the
19 transportation 2003 account (nickel account), the transportation
20 equipment fund, the transportation fund, the transportation improvement
21 account, the transportation improvement board bond retirement account,
22 the transportation infrastructure account, the transportation
23 partnership account, the traumatic brain injury account, the tuition
24 recovery trust fund, the University of Washington bond retirement fund,
25 the University of Washington building account, the urban arterial trust
26 account, the volunteer firefighters' and reserve officers' relief and
27 pension principal fund, the volunteer firefighters' and reserve
28 officers' administrative fund, the Washington aerospace futures
29 account, the Washington fruit express account, the Washington judicial
30 retirement system account, the Washington law enforcement officers' and
31 firefighters' system plan 1 retirement account, the Washington law
32 enforcement officers' and firefighters' system plan 2 retirement
33 account, the Washington public safety employees' plan 2 retirement
34 account, the Washington school employees' retirement system combined
35 plan 2 and 3 account, the Washington state health insurance pool
36 account, the Washington state patrol retirement account, the Washington
37 State University building account, the Washington State University bond
38 retirement fund, the water pollution control revolving fund, and the

1 Western Washington University capital projects account. Earnings
2 derived from investing balances of the agricultural permanent fund, the
3 normal school permanent fund, the permanent common school fund, the
4 scientific permanent fund, and the state university permanent fund
5 shall be allocated to their respective beneficiary accounts. All
6 earnings to be distributed under this subsection (4) shall first be
7 reduced by the allocation to the state treasurer's service fund
8 pursuant to RCW 43.08.190.

9 (5) In conformance with Article II, section 37 of the state
10 Constitution, no treasury accounts or funds shall be allocated earnings
11 without the specific affirmative directive of this section.

12 NEW SECTION. **Sec. 402.** Sections 101 through 106 of this act
13 constitute a new chapter in Title 43 RCW.

14 NEW SECTION. **Sec. 403.** Sections 201 through 205 of this act
15 constitute a new chapter in Title 28B RCW.

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