
ENGROSSED 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; amending RCW 43.79A.040; amending 2018 c 2 s 7028
3 (uncodified); and adding a new 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 an aviation pilots association or organization. The
2 appointive members must initially be appointed to terms as follows:
3 Two members for two-year terms, and three members for three-year
4 terms which must include the chair. Thereafter, each succeeding term
5 must be for three years. The chair of the board must be selected by
6 the secretary of transportation. The members of the board must elect
7 one of their members to serve as vice chair. The director of commerce
8 and the secretary of transportation must serve as nonvoting advisory
9 members of the board.

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

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

19 (5) If a vacancy occurs by death, resignation, or otherwise of
20 appointive members of the board, the secretary of transportation must
21 fill the vacancy for the unexpired term. Members of the board may be
22 removed for malfeasance or misfeasance in office, upon specific
23 written charges by the secretary of transportation, under chapter
24 34.05 RCW.

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28 absence limitation is deemed to have withdrawn from the office and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

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

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

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

36 NEW SECTION. **Sec. 3.** (1) Each member of the house of
37 representatives who is appointed to the community aviation
38 revitalization board under section 2 of this act may designate
39 another member from the house of representatives to take his or her

1 place on the board for meetings at which the member will be absent,
2 as long as the designated member belongs to the same caucus. The
3 designee has all of the same powers to vote and participate in board
4 deliberations as the other board members.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13 (b) An application must:

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

16 (ii) Clearly identify the source of funds intended to repay the
17 loan.

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

21 (1) The total outstanding amount that the board may dispense at
22 any time pursuant to this section must not exceed the moneys
23 available from the public use general aviation airport loan revolving
24 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 **Sec. 9.** 2018 c 2 s 7028 (uncodified) is amended to read as
6 follows:

7 The public use general aviation airport loan revolving account is
8 created in the custody of the state treasurer. All receipts from
9 moneys collected under this chapter must be deposited into the
10 account. Expenditures from the account may be used only for the
11 purposes described in this chapter and section 4002 (~~(of this act)~~),
12 chapter 2, Laws of 2018. Only the community aviation revitalization
13 board or the board's designee may authorize expenditures from the
14 account. The account is subject to allotment procedures under chapter
15 43.88 RCW, but an appropriation is not required for expenditures.

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

19 **Sec. 11.** RCW 43.79A.040 and 2017 3rd sp.s. c 5 s 89 are each
20 amended to read as follows:

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

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

29 (3) The investment income account may be utilized for the payment
30 of purchased banking services on behalf of treasurer's trust funds
31 including, but not limited to, depository, safekeeping, and
32 disbursement functions for the state treasurer or affected state
33 agencies. The investment income account is subject in all respects to
34 chapter 43.88 RCW, but no appropriation is required for payments to
35 financial institutions. Payments must occur prior to distribution of
36 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 Gina Grant Bull memorial
8 legislative page scholarship account, the Washington advanced college
9 tuition payment program account, the Washington college savings
10 program account, the accessible communities account, the Washington
11 achieving a better life experience program account, the community and
12 technical college innovation account, the agricultural local fund,
13 the American Indian scholarship endowment fund, the foster care
14 scholarship endowment fund, the foster care endowed scholarship trust
15 fund, the contract harvesting revolving account, the Washington state
16 combined fund drive account, the commemorative works account, the
17 county enhanced 911 excise tax account, the toll collection account,
18 the developmental disabilities endowment trust fund, the energy
19 account, the fair fund, the family and medical leave insurance
20 account, the food animal veterinarian conditional scholarship
21 account, the forest health revolving account, the fruit and vegetable
22 inspection account, the future teachers conditional scholarship
23 account, the game farm alternative account, the GET ready for math
24 and science scholarship account, the Washington global health
25 technologies and product development account, the grain inspection
26 revolving fund, the industrial insurance rainy day fund, the juvenile
27 accountability incentive account, the law enforcement officers' and
28 firefighters' plan 2 expense fund, the local tourism promotion
29 account, the low-income home rehabilitation revolving loan program
30 account, the multiagency permitting team account, the northeast
31 Washington wolf-livestock management account, the pilotage account,
32 the produce railcar pool account, the public use general aviation
33 airport loan revolving account, the regional transportation
34 investment district account, the rural rehabilitation account, the
35 Washington sexual assault kit account, the stadium and exhibition
36 center account, the youth athletic facility account, the self-
37 insurance revolving fund, the children's trust fund, the Washington
38 horse racing commission Washington bred owners' bonus fund and
39 breeder awards account, the Washington horse racing commission class
40 C purse fund account, the individual development account program

1 account, the Washington horse racing commission operating account,
2 the life sciences discovery fund, the Washington state heritage
3 center account, the reduced cigarette ignition propensity account,
4 the center for childhood deafness and hearing loss account, the
5 school for the blind account, the Millersylvania park trust fund, the
6 public employees' and retirees' insurance reserve fund, and the
7 radiation perpetual maintenance fund.

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

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

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

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

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