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**SUBSTITUTE SENATE BILL 5011**

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**State of Washington**

**66th Legislature**

**2019 Regular Session**

**By** Senate Transportation (originally sponsored by Senators Honeyford, Frockt, Keiser, and Wagoner)

READ FIRST TIME 02/20/19.

1 AN ACT Relating to a community aviation revitalization loan  
2 program; amending RCW 47.68.020; amending 2018 c 2 s 7028  
3 (uncodified); reenacting and amending RCW 43.79A.040; adding new  
4 sections to chapter 47.68 RCW; and creating a new section.

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

6 NEW SECTION. **Sec. 1.** The legislature finds that providing  
7 additional funding mechanisms for public use airports that primarily  
8 support general aviation activities is in the best interest of the  
9 state. The legislature further finds it is in the best interest of  
10 the state to have a healthy and strong public use airport system for  
11 emergency response and enhanced economic opportunities. The  
12 legislature further finds that a revolving loan program would benefit  
13 smaller airport development while providing a self-sustaining  
14 resource.

15 NEW SECTION. **Sec. 2.** (1) The department of transportation must  
16 convene a community aviation revitalization board to exercise the  
17 powers granted under this chapter.

18 (2) The board must consist of a representative from the  
19 department of transportation's aviation division, the public works  
20 board, and a nonlegislative member of the community economic

1 revitalization board. The board must also consist of the following  
2 members appointed by the secretary of transportation: One port  
3 district official, one county official, one city official, one  
4 representative of airport managers, and one representative of a  
5 general aviation pilots organization within Washington that has an  
6 active membership and established location, chapter, or appointed  
7 representative within Washington. The appointive members must  
8 initially be appointed to terms as follows: Two members for two-year  
9 terms, and three members for three-year terms which must include the  
10 chair. Thereafter, each succeeding term must be for three years. The  
11 chair of the board must be selected by the secretary of  
12 transportation. The members of the board must elect one of their  
13 members to serve as vice chair.

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

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

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

28 (6) A majority of members currently appointed constitutes a  
29 quorum.

30 (7) The board must meet three times a year or as deemed necessary  
31 by the department of transportation.

32 (8) Staff support to the board must be provided by the department  
33 of transportation as needed.

34 NEW SECTION. **Sec. 3.** In addition to other applicable provisions  
35 of law pertaining to conflicts of interest of public officials, any  
36 community aviation revitalization board member, appointive or  
37 otherwise, may not participate in any decision on any board contract  
38 in which the board member has any interests, direct or indirect, with  
39 any firm, partnership, corporation, or association that would be the

1 recipient of any aid under this chapter. If such participation  
2 occurs, the board must void the transaction and the involved member  
3 is subject to further sanctions as provided by law. The board must  
4 adopt a code of ethics for its members, which must be designed to  
5 protect the state and its citizens from any unethical conduct by the  
6 board.

7 NEW SECTION. **Sec. 4.** The community aviation revitalization  
8 board may:

9 (1) Adopt bylaws for the regulation of its affairs and the  
10 conduct of its business;

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

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

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

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

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

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

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

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

30 NEW SECTION. **Sec. 5.** (1) The community aviation revitalization  
31 board may make direct loans to airport sponsors of public use  
32 airports in the state for the purpose of airport improvements that  
33 primarily support general aviation activities. The board may provide  
34 loans for the purpose of airport improvements only if the state is  
35 receiving commensurate public benefit, which must include, as a  
36 condition of the loan, a commitment to provide public access to the  
37 airport for a period of time equivalent to one and one-half times the  
38 term of the loan. For purposes of this subsection, "public use

1 airports" means all public use airports not listed as having more  
2 than seventy-five thousand annual commercial air service passenger  
3 enplanements as published by the federal aviation administration.

4 (2) An application for loan funds under this section must be made  
5 in the form and manner as the board may prescribe. When evaluating  
6 loan applications, the board must prioritize applications that  
7 provide conclusive justification that completion of the loan  
8 application project will create revenue generating opportunities. The  
9 board is not limited to, but must also use, the following expected  
10 outcome conditions when evaluating loan applications:

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

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

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

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

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

22 (3) (a) If the board chooses to require a local match, the board  
23 must develop guidelines for local participation and allowable match  
24 and activities.

25 (b) An application must:

26 (i) Be supported by the port district, city, or county in which  
27 the project is located; or

28 (ii) Clearly identify the source of funds intended to repay the  
29 loan.

30 NEW SECTION. **Sec. 6.** The public use general aviation airport  
31 loan program, when authorized by the community aviation  
32 revitalization board, is subject to the following conditions:

33 (1) The moneys in the public use general aviation airport loan  
34 revolving account created in section 8 of this act must be used only  
35 to fulfill commitments arising from loans authorized in this chapter.  
36 The total outstanding amount that the board must dispense at any time  
37 pursuant to this section must not exceed the moneys available from  
38 the account.

1 (2) On contracts made for public use general aviation airport  
2 loans, the board must determine the interest rate that loans must  
3 bear. The interest rate must not exceed the amount needed to cover  
4 the administrative expenses of the board and the loan program. The  
5 board may provide reasonable terms and conditions for the repayment  
6 of loans, with the repayment of a loan to begin no later than three  
7 years after the award date of the loan. The loans must not exceed  
8 twenty years in duration.

9 (3) The repayment of any loan made from the public use general  
10 aviation airport loan revolving account under the contracts for  
11 aviation loans must be paid into the public use general aviation  
12 airport loan revolving account.

13 (4) Loans issued to airport sponsors of nongovernmental airports  
14 must only be made from repaid loan funds deposited into the public  
15 use general aviation airport loan revolving account.

16 NEW SECTION. **Sec. 7.** To enhance competition for loans and the  
17 quality of projects for which loans are sought, the community  
18 aviation revitalization board must take such reasonable measures as  
19 are necessary to familiarize government officials and members of the  
20 public with this chapter, particularly the board's authority to make  
21 loans.

22 **Sec. 8.** 2018 c 2 s 7028 (uncodified) is amended to read as  
23 follows:

24 The public use general aviation airport loan revolving account is  
25 created in the custody of the state treasurer. All receipts from  
26 moneys collected under (~~this chapter~~) section 4002, chapter 2, Laws  
27 of 2018 and sections 1 through 7 of this act must be deposited into  
28 the account. Expenditures from the account may be used only for the  
29 purposes described in section 4002 (~~of this act~~), chapter 2, Laws  
30 of 2018 and sections 5 and 6 of this act. Only the community aviation  
31 revitalization board or the board's designee may authorize  
32 expenditures from the account. The account is subject to allotment  
33 procedures under chapter 43.88 RCW, but an appropriation is not  
34 required for expenditures.

35 NEW SECTION. **Sec. 9.** The community aviation revitalization  
36 board and the department of transportation must keep proper records  
37 of accounts, which are subject to audit by the state auditor.

1       **Sec. 10.** RCW 43.79A.040 and 2018 c 260 s 28, 2018 c 258 s 4, and  
2 2018 c 127 s 6 are each reenacted and amended to read as follows:

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

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

11       (3) The investment income account may be utilized for the payment  
12 of purchased banking services on behalf of treasurer's trust funds  
13 including, but not limited to, depository, safekeeping, and  
14 disbursement functions for the state treasurer or affected state  
15 agencies. The investment income account is subject in all respects to  
16 chapter 43.88 RCW, but no appropriation is required for payments to  
17 financial institutions. Payments must occur prior to distribution of  
18 earnings set forth in subsection (4) of this section.

19       (4)(a) Monthly, the state treasurer must distribute the earnings  
20 credited to the investment income account to the state general fund  
21 except under (b), (c), and (d) of this subsection.

22       (b) The following accounts and funds must receive their  
23 proportionate share of earnings based upon each account's or fund's  
24 average daily balance for the period: The 24/7 sobriety account, the  
25 Washington promise scholarship account, the Gina Grant Bull memorial  
26 legislative page scholarship account, the Washington advanced college  
27 tuition payment program account, the Washington college savings  
28 program account, the accessible communities account, the Washington  
29 achieving a better life experience program account, the community and  
30 technical college innovation account, the agricultural local fund,  
31 the American Indian scholarship endowment fund, the foster care  
32 scholarship endowment fund, the foster care endowed scholarship trust  
33 fund, the contract harvesting revolving account, the Washington state  
34 combined fund drive account, the commemorative works account, the  
35 county enhanced 911 excise tax account, the toll collection account,  
36 the developmental disabilities endowment trust fund, the energy  
37 account, the fair fund, the family and medical leave insurance  
38 account, the fish and wildlife federal lands revolving account, the  
39 natural resources federal lands revolving account, the food animal  
40 veterinarian conditional scholarship account, the forest health

1 revolving account, the fruit and vegetable inspection account, the  
2 future teachers conditional scholarship account, the game farm  
3 alternative account, the GET ready for math and science scholarship  
4 account, the Washington global health technologies and product  
5 development account, the grain inspection revolving fund, the  
6 Washington history day account, the industrial insurance rainy day  
7 fund, the juvenile accountability incentive account, the law  
8 enforcement officers' and firefighters' plan 2 expense fund, the  
9 local tourism promotion account, the low-income home rehabilitation  
10 revolving loan program account, the multiagency permitting team  
11 account, the northeast Washington wolf-livestock management account,  
12 the pilotage account, the produce railcar pool account, the public  
13 use general aviation airport loan revolving account, the regional  
14 transportation investment district account, the rural rehabilitation  
15 account, the Washington sexual assault kit account, the stadium and  
16 exhibition center account, the youth athletic facility account, the  
17 self-insurance revolving fund, the children's trust fund, the  
18 Washington horse racing commission Washington bred owners' bonus fund  
19 and breeder awards account, the Washington horse racing commission  
20 class C purse fund account, the individual development account  
21 program account, the Washington horse racing commission operating  
22 account, the life sciences discovery fund, the Washington state  
23 heritage center account, the reduced cigarette ignition propensity  
24 account, the center for childhood deafness and hearing loss account,  
25 the school for the blind account, the Millersylvania park trust fund,  
26 the public employees' and retirees' insurance reserve fund, the  
27 school employees' benefits board insurance reserve fund, (~~the~~)  
28 the public employees' and retirees' insurance account, (~~the~~) the  
29 school employees' insurance account, and the radiation perpetual  
30 maintenance fund.

31 (c) The following accounts and funds must receive eighty percent  
32 of their proportionate share of earnings based upon each account's or  
33 fund's average daily balance for the period: The advanced right-of-  
34 way revolving fund, the advanced environmental mitigation revolving  
35 account, the federal narcotics asset forfeitures account, the high  
36 occupancy vehicle account, the local rail service assistance account,  
37 and the miscellaneous transportation programs account.

38 (d) Any state agency that has independent authority over accounts  
39 or funds not statutorily required to be held in the custody of the  
40 state treasurer that deposits funds into a fund or account in the

1 custody of the state treasurer pursuant to an agreement with the  
2 office of the state treasurer shall receive its proportionate share  
3 of earnings based upon each account's or fund's average daily balance  
4 for the period.

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

8 **Sec. 11.** RCW 47.68.020 and 1993 c 208 s 4 are each amended to  
9 read as follows:

10 As used in this chapter, unless the context clearly indicates  
11 otherwise:

12 (1) "Aeronautics" means the science and art of flight and  
13 including but not limited to transportation by aircraft; the  
14 operation, construction, repair, or maintenance of aircraft, aircraft  
15 power plants and accessories, including the repair, packing, and  
16 maintenance of parachutes; the design, establishment, construction,  
17 extension, operation, improvement, repair, or maintenance of airports  
18 or air navigation facilities; and instruction in flying or ground  
19 subjects pertaining thereto.

20 (2) "Aircraft" means any contrivance now known, or hereafter  
21 invented, used or designed for navigation of or flight in the air.

22 (3) "Airport" means any area of land or water which is used, or  
23 intended for use, for the landing and take-off of aircraft, and any  
24 appurtenant areas which are used, or intended for use, for airport  
25 buildings or other airport facilities or right-of-way, together with  
26 all airport buildings and facilities located thereon.

27 (4) "Department" means the state department of transportation.

28 (5) "Secretary" means the state secretary of transportation.

29 (6) "State" or "this state" means the state of Washington.

30 (7) "Air navigation facility" means any facility, other than one  
31 owned or operated by the United States, used in, available for use  
32 in, or designed for use in aid of air navigation, including any  
33 structures, mechanisms, lights, beacons, markers, communicating  
34 systems, or other instrumentalities or devices used or useful as an  
35 aid, or constituting an advantage or convenience, to the safe taking-  
36 off, navigation, and landing of aircraft, or the safe and efficient  
37 operation or maintenance of an airport, and any combination of any or  
38 all of such facilities.

1 (8) "Operation of aircraft" or "operate aircraft" means the use,  
2 navigation, or piloting of aircraft in the airspace over this state  
3 or upon any airport within this state.

4 (9) "Airman or airwoman" means any individual who engages, as the  
5 person in command, or as pilot, mechanic, or member of the crew in  
6 the navigation of aircraft while under way, and any individual who is  
7 directly in charge of the inspection, maintenance, overhauling, or  
8 repair of aircraft engines, airframes, propellers, or appliances, and  
9 any individual who serves in the capacity of aircraft dispatcher or  
10 air-traffic control tower operator; but does not include any  
11 individual employed outside the United States, or any individual  
12 employed by a manufacturer of aircraft, aircraft engines, airframes,  
13 propellers, or appliances to perform duties as inspector or mechanic  
14 in connection therewith, or any individual performing inspection or  
15 mechanical duties in connection with aircraft owned or operated by  
16 the person.

17 (10) "Aeronautics instructor" means any individual who for hire  
18 or reward engages in giving instruction or offering to give  
19 instruction in flying or ground subjects pertaining to aeronautics,  
20 but excludes any instructor in a public school, university, or  
21 institution of higher learning duly accredited and approved for  
22 carrying on collegiate work, who instructs in flying or ground  
23 subjects pertaining to aeronautics, while in the performance of his  
24 or her duties at such school, university, or institution.

25 (11) "Air school" means any person who advertises, represents, or  
26 holds out as giving or offering to give instruction in flying or  
27 ground subjects pertaining to aeronautics whether for or without hire  
28 or reward; but excludes any public school, university, or institution  
29 of higher learning duly accredited and approved for carrying on  
30 collegiate work.

31 (12) "Person" means any individual, firm, partnership,  
32 corporation, company, association, joint stock association, or body  
33 politic; and includes any trustee, receiver, assignee, or other  
34 similar representative thereof.

35 (13) "Municipal" means pertaining to a municipality, and  
36 "municipality" means any county, city, town, authority, district, or  
37 other political subdivision or public corporation of this state.

38 (14) "Airport hazard" means any structure, object of natural  
39 growth, or use of land, which obstructs the airspace required for the

1 flight of aircraft in landing or taking off at an airport or is  
2 otherwise hazardous to such landing or taking off.

3 (15) "State airway" means a route in the navigable airspace over  
4 and above the lands or waters of this state, designated by the  
5 department as a route suitable for air navigation.

6 (16) "Airport sponsor" means any public agency or private entity  
7 owning or leasing a public use airport.

8 (17) "Public agency" means any state, political subdivision of a  
9 state, tax-supported organization, or Indian tribe.

10 (18) "Public use airport" means any airport that is used for  
11 public, governmental, county, or municipal purposes for matters of  
12 public necessity.

13 NEW SECTION. Sec. 12. Sections 2 through 9 of this act are each  
14 added to chapter 47.68 RCW.

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