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**SENATE BILL 5031**

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**State of Washington**

**67th Legislature**

**2021 Regular Session**

**By** Senator Honeyford

Prefiled 12/22/20.

1 AN ACT Relating to a community aviation revitalization loan  
2 program; amending RCW 43.79A.040 and 47.68.020; reenacting and  
3 amending 2019 c 413 s 7037 (uncodified); adding new sections to  
4 chapter 47.68 RCW; creating a new section; providing an effective  
5 date; and declaring an emergency.

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

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

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

19 (2) The board must consist of a representative from the  
20 department of transportation's aviation division, the public works

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

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

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

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

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

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

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

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

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

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

- 10 (1) Adopt bylaws for the regulation of its affairs and the  
11 conduct of its business;
- 12 (2) Adopt an official seal and alter the seal at its pleasure;
- 13 (3) Utilize the services of other governmental agencies;
- 14 (4) Accept from any federal agency loans or grants for the  
15 planning or financing of any project and enter into an agreement with  
16 the agency respecting the loans or grants;
- 17 (5) Conduct examinations and investigations and take testimony at  
18 public hearings of any matter material for its information that will  
19 assist in determinations related to the exercise of the board's  
20 lawful powers;
- 21 (6) Accept any gifts, grants, loans of funds, property, or  
22 financial or other aid in any form from any other source on any terms  
23 and conditions that are not in conflict with this chapter;
- 24 (7) Enter into agreements or other transactions with and accept  
25 grants and the cooperation of any governmental agency in furtherance  
26 of this chapter;
- 27 (8) Adopt rules under chapter 34.05 RCW as necessary to carry out  
28 the purposes of this chapter; and
- 29 (9) Perform all acts and things necessary or convenient to carry  
30 out the powers expressly granted or implied under this chapter.

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

1 term of the loan. For purposes of this subsection, "public use  
2 airports" means all public use airports not listed as having more  
3 than seventy-five thousand annual commercial air service passenger  
4 enplanements as published by the federal aviation administration.

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

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

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

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

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

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

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

26 (b) An application must:

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

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

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

34 (1) The moneys in the public use general aviation airport loan  
35 revolving account created in section 8 of this act must be used only  
36 to fulfill commitments arising from loans authorized in this chapter.  
37 The total outstanding amount that the board must dispense at any time  
38 pursuant to this section must not exceed the moneys available from  
39 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.** 2019 c 413 s 7037 (uncodified) is reenacted and amended  
23 to read as 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 sections 6023 and 4005, chapter 413, Laws of  
27 2019 and sections 1 through 7 of this act must be deposited into the  
28 account. Expenditures from the account may be used only for the  
29 purposes described in sections 6023 and 4005, chapter 413, Laws of  
30 2019 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 2020 c 18 s 2 are each amended to  
2 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 county road  
36 administration board emergency loan account, the toll collection  
37 account, the developmental disabilities endowment trust fund, the  
38 energy account, the fair fund, the family and medical leave insurance  
39 account, the fish and wildlife federal lands revolving account, the  
40 natural resources federal lands revolving account, the food animal

1 veterinarian conditional scholarship account, the forest health  
2 revolving account, the fruit and vegetable inspection account, the  
3 educator conditional scholarship account, the game farm alternative  
4 account, the GET ready for math and science scholarship account, the  
5 Washington global health technologies and product development  
6 account, the grain inspection revolving fund, the Washington history  
7 day account, the industrial insurance rainy day fund, the juvenile  
8 accountability incentive account, the law enforcement officers' and  
9 firefighters' plan 2 expense fund, the local tourism promotion  
10 account, the low-income home rehabilitation revolving loan program  
11 account, the multiagency permitting team account, the northeast  
12 Washington wolf-livestock management account, the produce railcar  
13 pool account, the public use general aviation airport loan revolving  
14 account, the regional transportation investment district account, the  
15 rural rehabilitation account, the Washington sexual assault kit  
16 account, the stadium and exhibition center account, the youth  
17 athletic facility account, the self-insurance revolving fund, the  
18 children's trust fund, the Washington horse racing commission  
19 Washington bred owners' bonus fund and breeder awards account, the  
20 Washington horse racing commission class C purse fund account, the  
21 individual development account program account, the Washington horse  
22 racing commission operating account, the life sciences discovery  
23 fund, the Washington state library-archives building account, the  
24 reduced cigarette ignition propensity account, the center for deaf  
25 and hard of hearing youth account, the school for the blind account,  
26 the Millersylvania park trust fund, the public employees' and  
27 retirees' insurance reserve fund, the school employees' benefits  
28 board insurance reserve fund, the public employees' and retirees'  
29 insurance account, the school employees' insurance account, the long-  
30 term services and supports trust account, the radiation perpetual  
31 maintenance fund, the Indian health improvement reinvestment account,  
32 the department of licensing tuition recovery trust fund, the student  
33 achievement council tuition recovery trust fund, the tuition recovery  
34 trust fund, the industrial insurance premium refund account, the  
35 mobile home park relocation fund, the natural resources deposit fund,  
36 the Washington state health insurance pool account, the federal  
37 forest revolving account, and the library operations account.

38 (c) The following accounts and funds must receive eighty percent  
39 of their proportionate share of earnings based upon each account's or  
40 fund's average daily balance for the period: The advance right-of-way

1 revolving fund, the advanced environmental mitigation revolving  
2 account, the federal narcotics asset forfeitures account, the high  
3 occupancy vehicle account, the local rail service assistance account,  
4 and the miscellaneous transportation programs account.

5 (d) Any state agency that has independent authority over accounts  
6 or funds not statutorily required to be held in the custody of the  
7 state treasurer that deposits funds into a fund or account in the  
8 custody of the state treasurer pursuant to an agreement with the  
9 office of the state treasurer shall receive its proportionate share  
10 of earnings based upon each account's or fund's average daily balance  
11 for the period.

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

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

17 As used in this chapter, unless the context clearly indicates  
18 otherwise:

19 (1) "Aeronautics" means the science and art of flight and  
20 including but not limited to transportation by aircraft; the  
21 operation, construction, repair, or maintenance of aircraft, aircraft  
22 power plants and accessories, including the repair, packing, and  
23 maintenance of parachutes; the design, establishment, construction,  
24 extension, operation, improvement, repair, or maintenance of airports  
25 or air navigation facilities; and instruction in flying or ground  
26 subjects pertaining thereto.

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

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

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

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

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

37 (7) "Air navigation facility" means any facility, other than one  
38 owned or operated by the United States, used in, available for use  
39 in, or designed for use in aid of air navigation, including any



1 structures, mechanisms, lights, beacons, markers, communicating  
2 systems, or other instrumentalities or devices used or useful as an  
3 aid, or constituting an advantage or convenience, to the safe taking-  
4 off, navigation, and landing of aircraft, or the safe and efficient  
5 operation or maintenance of an airport, and any combination of any or  
6 all of such facilities.

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

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

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

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

37 (12) "Person" means any individual, firm, partnership,  
38 corporation, company, association, joint stock association, or body  
39 politic; and includes any trustee, receiver, assignee, or other  
40 similar representative thereof.

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

4 (14) "Airport hazard" means any structure, object of natural  
5 growth, or use of land, which obstructs the airspace required for the  
6 flight of aircraft in landing or taking off at an airport or is  
7 otherwise hazardous to such landing or taking off.

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

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

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

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

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

20 NEW SECTION. Sec. 13. This act is necessary for the immediate  
21 preservation of the public peace, health, or safety, or support of  
22 the state government and its existing public institutions, and takes  
23 effect June 30, 2021.

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