

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1243 HB

Title: Muni. airport commissions

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- Cities: Indeterminate impacts for cities with airport commissions
- Counties: Indeterminate impacts for counties with airport commissions
- Special Districts: Indeterminate impacts for special districts with airport commissions
- Specific jurisdictions only: Affects special purpose districts with airport commissions
- Variance occurs due to:

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option:
- Key variables cannot be estimated with certainty at this time: The number of municipalities with existing or future commissions; number of municipalities that would elect to retain airport commissions; number of airport commissions electing to utilize new provisions on leases and loans

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Part III: Preparation and Approval

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Leg. Committee Contact: Kellen Wright	Phone: 360-786-7134	Date: 01/13/2023
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 01/13/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 01/13/2023

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

This bill amends the powers and duties of municipal airport commissions (Commission) and the requirements for Commission members.

These changes include that the governing body of a municipality with an existing municipal airport commission must pass a resolution within two years from the effective date of this section and every two years thereafter to reauthorize the municipal airport commission. A municipal airport commission is dissolved if the governing authority does not pass a resolution as required by this subsection. In the event of dissolution, any assets of the Commission must be used to settle any outstanding obligations, with the remainder becoming the property of the municipality.

This bill allows leases entered into before the effective date of the bill to extend beyond the current maximum 75-year term, but reduces the maximum term of a lease entered into after the effective of the bill to 50 years. It allows the municipality to vest authority in a Commission to apply for loans through the Public Use General Aviation Airport Loan program. Management is added to the list of powers and duties of a Commission and the list of expenses that are the responsibility of the municipality creating the Commission. The travel compensation for municipal airport commissioners (Commissioners) is capped at the U.S. General Services administration per diem.

New requirements for Commissioners are created, as follows:

- In a municipality with a population of 35,000 or greater, Commissioners must be residents of the municipality;
- In a municipality with a population of fewer than 35,000, at least two Commissioners must be residents of the municipality or the county in which the municipality is located, with any remaining Commissioners residents of a county or counties adjoining the municipality or the county in which the municipality is located;
- A majority of the Commissioners must have expertise in: the aviation industry; business administration or operations; finance; accounting; marketing; economic development; commercial real estate development; engineering; planning and construction; law; utilities; or other related experience from industries that have a logical nexus with airport administration, operations, and development;
- Commissioners must agree to adhere to the ethical standards of conduct adopted by the municipality or the Commission

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

The legislation would result in an indeterminate impact for local government expenditures. These impacts would occur in jurisdictions with existing or new airport commissions.

An indeterminate number of jurisdictions would need to authorize or reauthorize the establishment of airport commissions every two years. It is assumed that this action could occur through a simple ordinance and which would cost approximately \$594 per jurisdiction.

RCW 14.08.010 defines municipality as any county, city, town, airport district, or port district of this state. Data from the Federal Aviation Administration indicates that municipalities operate 93 airports throughout the state (42 cities, 35 port districts, ten counties, two hospital districts, two joint city-county, one fire district and one public utility district). It is not known how many of these airports are currently governed by a commission. If airport commissions were utilized in all of these jurisdictions, the total cost annual local government costs could reach \$27,261 per year ($93 \times 594 = \$55,242$ biennial cost; $\$59,242/2 = \$27,621$ annual cost). The number of jurisdictions electing to take these actions cannot be known in advance so these impacts are indeterminate.

This bill changes the requirements for board members both in their qualifications and where they can live. It is unclear if current boards would be complying with this new requirement. Because of these changes, some boards may incur costs

associated with filling vacancies with members that meet the requirements. These costs are indeterminate.

This bill also changes the compensation structure for board members and may impact local government expenditures. These costs are indeterminate.

Additional potential impacts could occur related to changes to provisions for leases and loans. These would be affected by local decisions which cannot be predicted in advance and therefore these impacts are indeterminate.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

This bill would have no fiscal revenue impact.

SOURCES:

LGFN Unit Cost Model, 2023

HB-S 1712 (2022)

House Bill Report, HB-S 1712, (2022)

Local Government Fiscal Note, HB 1712, (2022)

Federal Aviation Administration

Washington Public Ports Association

Washington State Department of Transportation