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HOUSE BILL 1011

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State of Washington

55th Legislature

1997 Regular Session

By Representatives K. Schmidt, Johnson, Skinner, Zellinsky, Mitchell, Robertson, Fisher, Hatfield, Hankins, Smith, Dunn, Mielke, Anderson and O'Brien

Read first time 01/13/97. Referred to Committee on Transportation Policy & Budget.

1 AN ACT Relating to state and county ferries; amending RCW  
2 82.38.030, 82.36.410, and 47.56.725; providing an effective date; and  
3 declaring an emergency.

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

5 **Sec. 1.** RCW 82.38.030 and 1996 c 104 s 7 are each amended to read  
6 as follows:

7 (1) There is hereby levied and imposed upon special fuel users a  
8 tax at the rate computed in the manner provided in RCW 82.36.025 per  
9 gallon or each one hundred cubic feet of compressed natural gas  
10 measured at standard pressure and temperature on the use of special  
11 fuel in any motor vehicle, or a ferry owned or operated by the state of  
12 Washington or one of its political subdivisions, operated upon the  
13 highways or waterways of this state during the fiscal year for which  
14 such rate is applicable.

15 (2) The tax shall be collected by the special fuel dealer and shall  
16 be paid over to the department as hereinafter provided: (a) With  
17 respect to all special fuel delivered by a special fuel dealer into  
18 supply tanks of motor vehicles or into storage facilities used for the  
19 fueling of motor vehicles at unbonded service stations in this state;

1 or (b) in all other transactions where the purchaser is not the holder  
2 of a valid special fuel license issued pursuant to this chapter  
3 allowing the purchase of untaxed special fuel, except sales of special  
4 fuel for export. To claim an exemption on account of sales by a  
5 licensed special fuel dealer for export, the purchaser shall obtain  
6 from the selling special fuel dealer, and such selling special fuel  
7 dealer must furnish the purchaser, an invoice giving such details of  
8 the sale for export as the director may require, copies of which shall  
9 be furnished the department and the entity of the state or foreign  
10 jurisdiction of destination which is charged by the laws of that state  
11 or foreign jurisdiction with the control or monitoring or both, of the  
12 sales or movement of special fuel in that state or foreign  
13 jurisdiction.

14 (3) The tax shall be paid over to the department by the special  
15 fuel user as hereinafter provided with respect to the taxable use of  
16 special fuel upon which the tax has not previously been imposed.

17 It is expressly provided that delivery of special fuel may be made  
18 without collecting the tax otherwise imposed, when such deliveries are  
19 made by a bonded special fuel dealer to special fuel users who are  
20 authorized by the department as hereinafter provided, to purchase fuel  
21 without payment of tax to the bonded special fuel dealer.

22 (4) The tax required by this chapter, to be collected by the  
23 seller, is held in trust by the seller until paid to the department,  
24 and a seller who appropriates or converts the tax collected to his or  
25 her own use or to any use other than the payment of the tax to the  
26 extent that the money required to be collected is not available for  
27 payment on the due date as prescribed in this chapter is guilty of a  
28 felony, or gross misdemeanor in accordance with the theft and  
29 anticipatory provisions of Title 9A RCW. A person, partnership,  
30 corporation, or corporate officer who fails to collect the tax imposed  
31 by this section, or who has collected the tax and fails to pay it to  
32 the department in the manner prescribed by this chapter, is personally  
33 liable to the state for the amount of the tax.

34 **Sec. 2.** RCW 82.36.410 and 1973 c 95 s 5 are each amended to read  
35 as follows:

36 All moneys collected by the director shall be transmitted forthwith  
37 to the state treasurer, together with a statement showing whence the  
38 moneys were derived, and shall be by him credited to the motor vehicle

1 fund. All revenues from fuel purchased for marine use by the state  
2 ferry system shall be credited to the Puget Sound ferry operations  
3 account created under RCW 47.60.530. All revenues from fuel purchased  
4 for marine use by Pierce, Skagit, and Whatcom counties for county ferry  
5 operations shall be credited to the motor vehicle fund and distributed  
6 under RCW 46.68.100(3) and allocated according to RCW 47.56.725. All  
7 revenues from fuel purchased by Wahkiakum county for county ferry  
8 operations shall be directly reimbursed by the state treasurer to the  
9 Wahkiakum county treasurer.

10 **Sec. 3.** RCW 47.56.725 and 1991 c 310 s 1 are each amended to read  
11 as follows:

12 (1) The department is hereby authorized to enter into a continuing  
13 agreement with Pierce, Skagit, and Whatcom counties pursuant to which  
14 the department shall, from time to time, direct the distribution to  
15 each of the counties the amounts authorized in subsection (2) of this  
16 section in accordance with RCW 46.68.100.

17 (2) The department is authorized to include in each agreement a  
18 provision for the distribution of funds to each county to reimburse the  
19 county for fifty percent of the deficit incurred during each previous  
20 fiscal year in the operation and maintenance of the ferry system owned  
21 and operated by the county. The total amount to be reimbursed to  
22 Pierce, Skagit, and Whatcom counties collectively shall not exceed one  
23 million dollars in any biennium. Refunds of motor vehicle fuel taxes  
24 for county ferry operations shall not be considered in the amount to be  
25 reimbursed. Each county agreement shall contain a requirement that the  
26 county shall maintain tolls on its ferries at least equal to tolls in  
27 place on January 1, 1990.

28 (3) The annual fiscal year operating and maintenance deficit, if  
29 any, shall be determined by Pierce, Skagit, and Whatcom counties  
30 subject to review and approval of the department. The annual fiscal  
31 year operating and maintenance deficit is defined as the total of  
32 operations and maintenance expenditures less the sum of ferry toll  
33 revenues and that portion of fuel tax revenue distributions which are  
34 attributable to the county ferry as determined by the department.  
35 Distribution of the amounts authorized by subsection (2) of this  
36 section by the state treasurer shall be directed by the department upon  
37 the receipt of properly executed vouchers from each county.

1 (4) The county road administration board may evaluate requests by  
2 Pierce, Skagit, Wahkiakum, and Whatcom counties for county ferry  
3 capital improvement funds. The board shall evaluate the requests and,  
4 if approved by a majority of the board, submit the requests to the  
5 legislature for funding out of the amounts available under RCW  
6 46.68.100(3). Any county making a request under this subsection shall  
7 first seek funding through the public works trust fund, or any other  
8 available revenue source, where appropriate.

9 NEW SECTION. **Sec. 4.** This act is necessary for the immediate  
10 preservation of the public peace, health, or safety, or support of the  
11 state government and its existing public institutions, and takes effect  
12 July 1, 1997.

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