

SENATE BILL REPORT

EHB 1012

As Reported By Senate Committee On:
Transportation, April 9, 2001

Title: An act relating to allowing Washington state ferry fares to be increased in excess of the fiscal growth factor.

Brief Description: Allowing Washington state ferry fares to be increased in excess of the fiscal growth factor.

Sponsors: By Representatives Mitchell, Fisher, Poulsen, McDermott, Ogden and Dunn.

Brief History:

Committee Activity: Transportation: 4/9/01 [DPA].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass as amended.

Signed by Senators Haugen, Chair; Gardner, Vice Chair; Benton, Finkbeiner, Horn, Jacobsen, Johnson, Kastama, McAuliffe, McDonald, Oke, Patterson, Prentice, Shin and Swecker.

Staff: Chris Reykdal (786-7321)

Background: In the 2000 supplemental budget, Chapter 3, Laws of 2000, 2nd Special Session, the Legislature created the Joint Task Force on Ferries (JTFF). Part of the task force's charge was to review ferry fare policies and determine what level of operational funding should be collected through the farebox. The task force, along with the Transportation Commission's Tariff Policy Committee, recommended that the Transportation Commission begin phasing in fare increases over a six-year period to achieve an 80 percent cost recovery level for ferry operations. The existing recovery level is approximately 60 percent.

In 1993 Washington voters passed Initiative 601 (I-601) which includes a provision limiting the growth of fees imposed by the state. Under the provisions of RCW 43.135.025, the I-601 fiscal growth factor is calculated based upon increases in inflation and state population. This factor currently limits fee increases to 2.87 percent annually.

To achieve the 80 percent cost recovery target in six years, ferry fares will have to exceed the I-601 fiscal growth factor.

Summary of Amended Bill: The Transportation Commission is granted the authority to raise ferry fares in excess of the I-601 fiscal growth factor.

Amended Bill Compared to Original Bill: The amended bill removes a provision requiring the Department of Transportation to spend no more than \$10,000 to conduct a study of the

local roadway and parking impacts of vehicular ferry traffic on municipalities in which ferry terminals are located.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: This bill will allow the Department of Transportation to move forward in raising ferry fares to achieve the 80 percent farebox recovery target. While it is unfortunate that fares need to be increased, it is necessary for the continued operations of the ferry system.

Testimony Against: None.

Testified: PRO: Terry McCarthy, Washington State Ferries; Phil Watkins, Citizens.