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**SUBSTITUTE HOUSE BILL 1824**

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**State of Washington**

**59th Legislature**

**2005 Regular Session**

**By** House Committee on Transportation (originally sponsored by Representatives Kilmer, Lantz, Appleton, Quall, Darneille, Morris, Kagi, Haigh and McDermott)

READ FIRST TIME 03/07/05.

1 AN ACT Relating to ferry fares; and amending RCW 47.60.326.

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

3 **Sec. 1.** RCW 47.60.326 and 2003 c 374 s 4 are each amended to read  
4 as follows:

5 (1) In order to maintain an adequate, fair, and economically sound  
6 schedule of charges for the transportation of passengers, vehicles, and  
7 commodities on the Washington state ferries, the department of  
8 transportation each year shall conduct a full review of such charges.

9 (2) Prior to February 1st of each odd-numbered year the department  
10 shall transmit to the transportation commission a report of its review  
11 together with its recommendations for the revision of a schedule of  
12 charges for the ensuing biennium. The commission on or before July 1st  
13 of that year shall adopt as a rule, in the manner provided by the  
14 Washington administrative procedure act, a schedule of charges for the  
15 Washington state ferries for the ensuing biennium commencing July 1st.  
16 The schedule may initially be adopted as an emergency rule if necessary  
17 to take effect on, or as near as possible to, July 1st.

18 (3) The department in making its review and formulating

1 recommendations and the commission in adopting a schedule of charges  
2 may consider any of the following factors:

3 (a) The amount of subsidy available to the ferry system for  
4 maintenance and operation;

5 (b) The time and distance of ferry runs;

6 (c) The maintenance and operation costs for ferry runs with a  
7 proper adjustment for higher costs of operating outmoded or less  
8 efficient equipment;

9 (d) The efficient distribution of traffic between cross-sound  
10 routes;

11 (e) The desirability of reasonable commutation rates for persons  
12 using the ferry system to commute daily to work;

13 (f) The effect of proposed fares in increasing walk-on and  
14 vehicular passenger use;

15 (g) The effect of proposed fares in promoting all types of ferry  
16 use during nonpeak periods;

17 (h) The estimated revenues that are projected to be earned by the  
18 ferry system from commercial advertisements, parking, contracts,  
19 leases, and other sources;

20 (i) The prepurchase of multiple fares, whether for a single rider  
21 or multiple riders;

22 (j) The effect of proposed fares on frequent users who live in  
23 ferry dependent communities;

24 (k) Such other factors as prudent managers of a major ferry system  
25 would consider.

26 (4) If at any time during the biennium it appears that projected  
27 revenues from the Puget Sound ferry operations account and any other  
28 operating subsidy available to the Washington state ferries will be  
29 less than the projected total cost of maintenance and operation of the  
30 Washington state ferries for the biennium, the department shall  
31 forthwith undertake a review of its schedule of charges to ascertain  
32 whether or not the schedule of charges should be revised. The  
33 department shall, upon completion of its review report, submit its  
34 recommendation to the transportation commission which may in its sound  
35 discretion revise the schedule of charges as required to meet necessary  
36 maintenance and operation expenditures of the ferry system for the  
37 biennium or may defer action until the regular annual review and

1 revision of ferry charges as provided in subsection (2) of this  
2 section.

3 (5) The provisions of RCW 47.60.330 relating to public  
4 participation shall apply to the process of revising ferry tolls under  
5 this section.

6 (6) Under RCW 43.135.055, the transportation commission may  
7 increase ferry tolls included in the schedule of charges adopted under  
8 this section by a percentage that exceeds the fiscal growth factor.

9 (7) Notwithstanding the provisions of this section and chapter  
10 81.28 RCW, and using sound business judgment, the chief executive  
11 officer of the ferry system may authorize the use of promotional,  
12 discounted, and special event fares to the general public and  
13 commercial enterprises for the purpose of maximizing capacity use and  
14 the revenues collected by the ferry system. The department shall  
15 report to the transportation commission a summary of the promotional,  
16 discounted, and special event fares offered during each fiscal year and  
17 the financial results from these activities.

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