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ENGROSSED SUBSTITUTE SENATE BILL 6787

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State of Washington

59th Legislature

2006 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Rockefeller, Poulsen, Haugen and Oke)

READ FIRST TIME 02/17/06.

1 AN ACT Relating to local government passenger ferry service  
2 funding; amending RCW 47.60.645, 36.54.110, and 36.54.130; adding new  
3 sections to chapter 47.60 RCW; adding a new section to chapter 36.78  
4 RCW; creating new sections; and providing an expiration date.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 47.60 RCW  
7 to read as follows:

8 By August 1st, November 1st, February 1st, and May 1st of every  
9 year, the department of transportation shall notify the state treasurer  
10 in writing of the amount of state sales and use tax paid under chapters  
11 82.08 and 82.12 RCW by the Washington state ferries on the purchase of  
12 fuel for the preceding calendar quarter. By September 1st, December  
13 1st, March 1st, and June 1st of every year, the state treasurer shall  
14 transfer an amount equal to the amount indicated by the department in  
15 their notification to the treasurer into the passenger ferry account  
16 created in RCW 47.60.645. This section expires September 30, 2011.

17 **Sec. 2.** RCW 47.60.645 and 1995 2nd sp.s. c 14 s 558 are each  
18 amended to read as follows:

1        There is hereby established in the transportation fund the  
2 passenger ferry account. Money in the account shall be used for  
3 (~~capital improvements for passenger ferry projects including, but not~~  
4 ~~limited to, pedestrian and transit facilities at ferry terminals and~~  
5 ~~passenger-only ferry vessels)): (1) Operating or capital grants for  
6 ferry systems operated or contracted by local governments as provided  
7 in chapters 36.54 and 36.57A RCW; or (2) grants for the department to  
8 operate the passenger-only ferry route in service as of January 1,  
9 2006. Moneys in the account shall be expended with legislative  
10 appropriation.~~

11        NEW SECTION. Sec. 3. The indication of the amount of fuel taxes  
12 paid by the Washington state ferries in section 1 of this act applies  
13 to all calendar quarters beginning on or after April 1, 2006.

14        NEW SECTION. Sec. 4. By April 1, 2007, the department of  
15 transportation shall sell or otherwise dispose of the Washington state  
16 ferries Snohomish and Chinook for market value and deposit the proceeds  
17 of the sales into the passenger ferry account created in RCW 47.60.645.

18        NEW SECTION. Sec. 5. A new section is added to chapter 47.60 RCW  
19 to read as follows:

20        The department shall maintain the level of service existing on  
21 January 1, 2006, for the Vashon to Seattle passenger-only ferry route  
22 until such time as either:

23        (1) A local government assumes the Vashon to Seattle passenger-only  
24 ferry route, and provides a level of service for the route that meets  
25 or exceeds the state level. The successor entity assuming the route  
26 shall assume any existing labor contract governing service on the  
27 Vashon to Seattle passenger-only ferry route; or

28        (2) A legislative authority of a county with a population over one  
29 million persons and having a boundary on Puget Sound creates a ferry  
30 district under chapter 36.54 RCW, assumes service among Vashon,  
31 Southworth, and Seattle on or before June 30, 2007, and provides a  
32 level of service that meets or exceeds the state level of service on  
33 the Vashon to Seattle passenger-only ferry route. The successor entity  
34 assuming the route shall assume any existing labor contract governing  
35 service on the Vashon to Seattle passenger-only ferry route. A

1 successor entity under this subsection shall enter into an interlocal  
2 agreement with the public transportation benefit area serving the  
3 Southworth ferry terminal within thirty days of beginning Southworth  
4 ferry service.

5 NEW SECTION. **Sec. 6.** A new section is added to chapter 36.78 RCW  
6 to read as follows:

7 (1) The county road administration board shall establish a ferry  
8 grant program subject to availability of amounts appropriated for this  
9 specific purpose. The purpose of the grant program is to provide: (a)  
10 Operating or capital grants for ferry systems operated or contracted by  
11 local governments as provided in chapters 36.54 and 36.57A RCW; and (b)  
12 grants for the department of transportation to operate the passenger-  
13 only ferry route in service as of January 1, 2006.

14 (2) In providing grants under this section, the board may enter  
15 into multiple year contracts with the stipulation that future year  
16 allocations are subject to the availability of funding as provided by  
17 legislative appropriation.

18 (3) Priority shall be given to grant applications that provide  
19 continuity of existing passenger-only service and the provision of  
20 local or federal matching funds.

21 **Sec. 7.** RCW 36.54.110 and 2003 c 83 s 301 are each amended to read  
22 as follows:

23 (1) The legislative authority of a county (~~((with a population over  
24 one million persons and having a boundary on Puget Sound))~~) may adopt an  
25 ordinance creating a ferry district in all or a portion of the area of  
26 the county, including the area within the corporate limits of any city  
27 or town within the county. The ordinance may be adopted only after a  
28 public hearing has been held on the creation of a ferry district, and  
29 the county legislative authority makes a finding that it is in the  
30 public interest to create the district. (~~((A ferry district is limited  
31 to providing passenger only ferry service.))~~)

32 (2) A ferry district is a municipal corporation, an independent  
33 taxing "authority" within the meaning of Article VII, section 1 of the  
34 state Constitution, and a "taxing district" within the meaning of  
35 Article VII, section 2 of the state Constitution.

1 (3) A ferry district is a body corporate and possesses all the  
2 usual powers of a corporation for public purposes as well as all other  
3 powers that may now or hereafter be specifically conferred by statute,  
4 including, but not limited to, the authority to hire employees, staff,  
5 and services, to enter into contracts, and to sue and be sued.

6 (4) The members of the county legislative authority, acting ex  
7 officio and independently, shall compose the governing body of any  
8 ferry district that is created within the county. The voters of a  
9 ferry district must be registered voters residing within the boundaries  
10 of the district.

11 ~~((5) For the purposes of this section, Puget Sound is considered  
12 as extending north as far as the Canadian border and west as far as  
13 Port Angeles.))~~

14 **Sec. 8.** RCW 36.54.130 and 2003 c 83 s 303 are each amended to read  
15 as follows:

16 (1) To carry out the purposes for which ferry districts are  
17 created, the governing body of a ferry district may levy each year an  
18 ad valorem tax on all taxable property located in the district not to  
19 exceed seventy-five cents per thousand dollars of assessed value. The  
20 levy must be sufficient for the provision of ferry services as shown to  
21 be required by the budget prepared by the governing body of the ferry  
22 district.

23 (2) A tax imposed under this section may be used only for providing  
24 ~~((passenger-only))~~ ferry services, including the purchase, lease, or  
25 rental of ~~((passenger-only))~~ ferry vessels and dock facilities, the  
26 operation and maintenance of ~~((passenger-only))~~ ferry vessels and dock  
27 facilities, and related personnel costs.

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