

E2SSB 5862 - H COMM AMD

By Committee on Transportation

ADOPTED 04/10/2007

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 36.57A.220 and 2006 c 332 s 8 are each amended to
4 read as follows:

5 A public transportation benefit area seeking grant funding as
6 described in RCW 47.01.350 for a passenger-only ferry route between
7 Kingston and Seattle shall first receive approval from the governor
8 after submitting a complete business plan to the governor and the
9 legislature by November 1, ((2006)) 2007. The business plan must, at
10 a minimum, include hours of operation, vessel needs, labor needs,
11 proposed routes, passenger terminal facilities, passenger rates,
12 anticipated federal and local funding, coordination with the Washington
13 state ferry system, coordination with existing transit providers, long-
14 term operation and maintenance needs, and a long-term financial plan.

15 **Sec. 2.** RCW 47.01.350 and 2006 c 332 s 4 are each amended to read
16 as follows:

17 (1) The department of transportation shall establish a ferry grant
18 program subject to availability of amounts appropriated for this
19 specific purpose. The purpose of the grant program is to provide
20 operating or capital grants for ferry systems as provided in chapters
21 36.54 and 36.57A RCW to operate passenger-only ferry service.

22 (2) In providing grants under this section, the department may
23 enter into multiple year contracts with the stipulation that future
24 year allocations are subject to the availability of funding as provided
25 by legislative appropriation.

26 ~~((3) Priority shall be given to grant applications that provide
27 continuity of existing passenger only service and the provision of
28 local or federal matching funds.))~~

1 **Sec. 3.** RCW 47.60.662 and 2006 c 332 s 5 are each amended to read
2 as follows:

3 The Washington state ferry system shall collaborate with new and
4 potential passenger-only ferry service providers, as described in ((RCW
5 ~~36.54.110(5)~~) chapters 36.54 and 36.57A RCW, for terminal operations
6 at its existing terminal facilities.

7 **Sec. 4.** 2006 c 332 s 2 (uncodified) is amended to read as follows:

8 (~~By October 31, 2006, the department of transportation shall have~~
9 ~~an independent appraisal of the market value of the Washington state~~
10 ~~ferries Snohomish and Chinook and present it to the transportation~~
11 ~~committees of the legislature and the governor by November 1, 2006.~~)
12 The department of transportation shall ((~~sell or otherwise dispose of~~)
13 make available for sale the Washington state ferries Snohomish and
14 Chinook ((~~for~~)) at market value ((~~and deposit the proceeds of the sales~~
15 ~~into the passenger ferry account created in RCW 47.60.645 as soon as~~
16 ~~practicable upon approval by the governor of the business plan~~
17 ~~described in RCW 36.54.110(5)~~) by June 1, 2007. Proceeds from the
18 sale must be deposited into the passenger ferry account created in RCW
19 47.60.645.

20 **Sec. 5.** RCW 36.54.110 and 2006 c 332 s 7 are each amended to read
21 as follows:

22 (1) The legislative authority of a county may adopt an ordinance
23 creating a ferry district in all or a portion of the area of the
24 county, including the area within the corporate limits of any city or
25 town within the county. The ordinance may be adopted only after a
26 public hearing has been held on the creation of a ferry district, and
27 the county legislative authority makes a finding that it is in the
28 public interest to create the district.

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

33 (3) A ferry district is a body corporate and possesses all the
34 usual powers of a corporation for public purposes as well as all other
35 powers that may now or hereafter be specifically conferred by statute,

1 including, but not limited to, the authority to hire employees, staff,
2 and services, to enter into contracts, and to sue and be sued.

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

8 (5) A county with a population greater than one million persons and
9 having a boundary on Puget Sound, or a county to the west of Puget
10 Sound with a population greater than two hundred thirty thousand but
11 less than three hundred thousand persons, proposing to create a ferry
12 district to assume a passenger-only ferry route between Vashon and
13 Seattle, including an expansion of that route to include Southworth,
14 shall first receive approval from the governor after submitting a
15 complete business plan to the governor and the legislature by November
16 1, (~~2006~~) 2007. The business plan must, at a minimum, include hours
17 of operation, vessel needs, labor needs, proposed routes, passenger
18 terminal facilities, passenger rates, anticipated federal and local
19 funding, coordination with Washington state ferry system, coordination
20 with existing transit providers, long-term operation and maintenance
21 needs, and long-term financial plan. The business plan may include
22 provisions regarding coordination with an appropriate county to
23 participate in a joint ferry under RCW 36.54.030 through 36.54.070. In
24 order to be considered for assuming the route, the ferry district shall
25 ensure that the route will be operated only by the ferry district and
26 not contracted out to a private entity, all existing labor agreements
27 will be honored, and operations will begin no later than July 1,
28 (~~2007~~) 2008. If the route is to be expanded to include serving
29 Southworth, the ferry district shall enter into an interlocal agreement
30 with the public transportation benefit area serving the Southworth
31 ferry terminal within thirty days of beginning Southworth ferry
32 service. For the purposes of this subsection, Puget Sound is
33 considered as extending north to Admiralty Inlet.

34 **Sec. 6.** RCW 36.54.130 and 2006 c 332 s 9 are each amended to read
35 as follows:

36 (1) To carry out the purposes for which ferry districts are
37 created, the governing body of a ferry district may levy each year an

1 ad valorem tax on all taxable property located in the district not to
2 exceed seventy-five cents per thousand dollars of assessed value. The
3 levy must be sufficient for the provision of ferry services as shown to
4 be required by the budget prepared by the governing body of the ferry
5 district.

6 (2) A tax imposed under this section may be used only for:

7 (a) Providing ferry services, including the purchase, lease, or
8 rental of ferry vessels and dock facilities((τ))i

9 (b) The operation ((and))_L maintenance, and improvement of ferry
10 vessels and dock facilities((τ))i

11 (c) Providing shuttle services between the ferry terminal and
12 passenger parking facilities, and other landside improvements directly
13 related to the provision of passenger-only ferry service; and

14 (d) Related personnel costs.

15 **NEW SECTION. Sec. 7.** A new section is added to chapter 36.54 RCW
16 to read as follows:

17 (1) A county ferry district may incur general indebtedness, and
18 issue general obligation bonds, to finance the construction, purchase,
19 and preservation of passenger-only ferries and associated terminals and
20 retire the indebtedness in whole or in part from the revenues received
21 from the tax levy authorized in RCW 36.54.130.

22 (2) The ordinance adopted by the county legislative authority
23 creating the county ferry district and authorizing the use of revenues
24 received from the tax levy authorized in RCW 36.54.130 must indicate an
25 intent to incur this indebtedness and the maximum amount of this
26 indebtedness that is contemplated.

27 **Sec. 8.** RCW 47.60.120 and 2003 c 373 s 2 and 2003 c 83 s 204 are
28 each reenacted and amended to read as follows:

29 ~~((1))~~ If the department acquires or constructs, maintains, and
30 operates any ferry crossings upon ~~((or toll bridges over))~~ Puget Sound
31 or any of its tributary or connecting waters, there shall not be
32 constructed, operated, or maintained any other ferry crossing upon ~~((or~~
33 ~~bridge over))~~ any such waters ~~((within ten miles of any such crossing~~
34 ~~or bridge operated or maintained))~~ in a manner that would interfere
35 with the safe operation of ferries by the department ~~((excepting~~
36 ~~such))~~, except for bridges or ferry crossings in existence((τ)) and

1 being operated and maintained (~~((under a))~~) lawfully (~~((issued franchise))~~)
2 at the time of the location of the ferry crossing (~~((or construction of~~
3 ~~the toll bridge))~~) by the department.

4 (~~((2) The ten-mile distance in subsection (1) of this section means~~
5 ~~ten statute miles measured by airline distance. The ten-mile~~
6 ~~restriction shall be applied by comparing the two end points (termini)~~
7 ~~of a state ferry crossing to those of a private ferry crossing.~~

8 (~~(3) The Washington utilities and transportation commission may,~~
9 ~~upon written petition of a commercial ferry operator certificated or~~
10 ~~applying for certification under chapter 81.84 RCW, and upon notice and~~
11 ~~hearing, grant a waiver from the ten-mile restriction. The waiver must~~
12 ~~not be detrimental to the public interest. In making a decision to~~
13 ~~waive the ten-mile restriction, the commission shall consider, but is~~
14 ~~not limited to, the impact of the waiver on transportation congestion~~
15 ~~mitigation, air quality improvement, and the overall impact on the~~
16 ~~Washington state ferry system. The commission shall act upon a request~~
17 ~~for a waiver within ninety days after the conclusion of the hearing.~~
18 ~~A waiver is effective for a period of five years from the date of~~
19 ~~issuance. At the end of five years the waiver becomes permanent unless~~
20 ~~appealed within thirty days by the commission on its own motion, the~~
21 ~~department, or an interested party.~~

22 (~~(4) The department shall not maintain and operate any ferry~~
23 ~~crossing or toll bridge over Puget Sound or any of its tributary or~~
24 ~~connecting waters that would infringe upon any franchise lawfully~~
25 ~~issued by the state and in existence and being exercised at the time of~~
26 ~~the location of the ferry crossing or toll bridge by the department,~~
27 ~~without first acquiring the rights granted to such franchise holder~~
28 ~~under the franchise.~~

29 (~~(5) This section does not apply to the operation of passenger-only~~
30 ~~ferry service by public transportation benefit areas meeting the~~
31 ~~requirements of RCW 36.57A.200 or to the operation of passenger-only~~
32 ~~ferry service by ferry districts.))~~

33 **Sec. 9.** RCW 47.60.658 and 2006 c 332 s 3 are each amended to read
34 as follows:

35 The department shall maintain the level of service existing on
36 January 1, 2006, for the Vashon to Seattle passenger-only ferry route
37 until such time as the (~~(legislature approves a county ferry district's~~

1 ~~assumption of the route, as authorized under RCW 36.54.110(5))~~ route
2 is assumed by another entity, providing a level of service at or
3 exceeding the state level.

4 **Sec. 10.** RCW 82.08.0255 and 2005 c 443 s 5 are each amended to
5 read as follows:

6 (1) The tax levied by RCW 82.08.020 shall not apply to sales of
7 motor vehicle and special fuel if:

8 (a) The fuel is purchased for the purpose of public transportation
9 and the purchaser is entitled to a refund or an exemption under RCW
10 82.36.275 or 82.38.080(3); or

11 (b) The fuel is purchased by a private, nonprofit transportation
12 provider certified under chapter 81.66 RCW and the purchaser is
13 entitled to a refund or an exemption under RCW 82.36.285 or
14 82.38.080(1)(h); or

15 (c) The fuel is purchased by a public transportation benefit area
16 created under chapter 36.57A RCW or a county-owned ferry or county
17 ferry district created under chapter 36.54 RCW for use in passenger-
18 only ferry vessels; or

19 (d) The fuel is taxable under chapter 82.36 or 82.38 RCW.

20 (2) Any person who has paid the tax imposed by RCW 82.08.020 on the
21 sale of special fuel delivered in this state shall be entitled to a
22 credit or refund of such tax with respect to fuel subsequently
23 established to have been actually transported and used outside this
24 state by persons engaged in interstate commerce. The tax shall be
25 claimed as a credit or refunded through the tax reports required under
26 RCW 82.38.150.

27 **Sec. 11.** RCW 82.12.0256 and 2005 c 443 s 6 are each amended to
28 read as follows:

29 The provisions of this chapter shall not apply in respect to the
30 use of:

31 (1) Special fuel purchased in this state upon which a refund is
32 obtained as provided in RCW 82.38.180(2); and

33 (2) Motor vehicle and special fuel if:

34 (a) The fuel is used for the purpose of public transportation and
35 the purchaser is entitled to a refund or an exemption under RCW
36 82.36.275 or 82.38.080(3); or

1 (b) The fuel is purchased by a private, nonprofit transportation
2 provider certified under chapter 81.66 RCW and the purchaser is
3 entitled to a refund or an exemption under RCW 82.36.285 or
4 82.38.080(1)(h); or

5 (c) The fuel is purchased by a public transportation benefit area
6 created under chapter 36.57A RCW or a county-owned ferry or county
7 ferry district created under chapter 36.54 RCW for use in passenger-
8 only ferry vessels; or

9 (d) The fuel is taxable under chapter 82.36 or 82.38 RCW:
10 PROVIDED, That the use of motor vehicle and special fuel upon which a
11 refund of the applicable fuel tax is obtained shall not be exempt under
12 this subsection (2)((+e)) (d), and the director of licensing shall
13 deduct from the amount of such tax to be refunded the amount of tax due
14 under this chapter and remit the same each month to the department of
15 revenue.

16 NEW SECTION. Sec. 12. This act is necessary for the immediate
17 preservation of the public peace, health, or safety, or support of the
18 state government and its existing public institutions, and takes effect
19 immediately, except for section 8 of this act which takes effect July
20 1, 2008."

21 Correct the title.

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