

HB 2353 - S COMM AMD

By Committee on Transportation

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

3 "Sec. 1. RCW 36.54.130 and 2006 c 332 s 9 are each amended to read
4 as follows:

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

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

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

15 (b) The operation ((and)) maintenance, and improvement of ferry
16 vessels and dock facilities((τ))i

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

20 (d) Related personnel costs.

21 NEW SECTION. **Sec. 2.** A new section is added to chapter 36.54 RCW
22 to read as follows:

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

28 (2) The ordinance adopted by the county legislative authority
29 creating the county ferry district and authorizing the use of revenues

1 received from the tax levy authorized in RCW 36.54.130 must indicate an
2 intent to incur this indebtedness and the maximum amount of this
3 indebtedness that is contemplated.

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

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

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

18 (1) The department of transportation shall establish a ferry grant
19 program subject to availability of amounts appropriated for this
20 specific purpose. The purpose of the grant program is to provide
21 operating or capital grants for ferry systems as provided in chapters
22 36.54 and 36.57A RCW to operate passenger-only ferry service.

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

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

30 **Sec. 5.** RCW 47.60.662 and 2006 c 332 s 5 are each amended to read
31 as follows:

32 The Washington state ferry system shall collaborate with new and
33 potential passenger-only ferry service providers, as described in ((~~RCW~~
34 ~~36.54.110(5)~~)) chapters 36.54 and 36.57A RCW, for terminal operations
35 at its existing terminal facilities.

1 **Sec. 6.** 2006 c 332 s 2 (uncodified) is amended to read as follows:

2 ~~((By October 31, 2006, the department of transportation shall have~~
3 ~~an independent appraisal of the market value of the Washington state~~
4 ~~ferries Snohomish and Chinook and present it to the transportation~~
5 ~~committees of the legislature and the governor by November 1, 2006.))~~

6 The department of transportation shall ~~((sell or otherwise dispose of))~~
7 make available for sale the Washington state ferries Snohomish and
8 Chinook ~~((for))~~ at market value ~~((and deposit the proceeds of the sales~~
9 ~~into the passenger ferry account created in RCW 47.60.645 as soon as~~
10 ~~practicable upon approval by the governor of the business plan~~
11 ~~described in RCW 36.54.110(5))~~ by June 1, 2007. Proceeds from the
12 sale must be deposited into the passenger ferry account created in RCW
13 47.60.645.

14 **Sec. 7.** RCW 36.54.110 and 2006 c 332 s 7 are each amended to read
15 as follows:

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

23 (2) A ferry district is a municipal corporation, an independent
24 taxing "authority" within the meaning of Article VII, section 1 of the
25 state Constitution, and a "taxing district" within the meaning of
26 Article VII, section 2 of the state Constitution.

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

32 (4) The members of the county legislative authority, acting ex
33 officio and independently, shall compose the governing body of any
34 ferry district that is created within the county. The voters of a
35 ferry district must be registered voters residing within the boundaries
36 of the district.

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

27 **Sec. 8.** RCW 47.60.658 and 2006 c 332 s 3 are each amended to read
28 as follows:

29 The department shall maintain the level of service existing on
30 January 1, 2006, for the Vashon to Seattle passenger-only ferry route
31 until such time as the ((legislature approves a county ferry district's
32 ~~assumption of the route, as authorized under RCW 36.54.110(5))~~) route
33 is assumed by another entity, providing a level of service at or
34 exceeding the state level.

35 **Sec. 9.** RCW 82.08.0255 and 2005 c 443 s 5 are each amended to read
36 as follows:

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

3 (a) The fuel is purchased for the purpose of public transportation
4 and the purchaser is entitled to a refund or an exemption under RCW
5 82.36.275 or 82.38.080(3); or

6 (b) The fuel is purchased by a private, nonprofit transportation
7 provider certified under chapter 81.66 RCW and the purchaser is
8 entitled to a refund or an exemption under RCW 82.36.285 or
9 82.38.080(1)(h); or

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

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

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

22 **Sec. 10.** RCW 82.12.0256 and 2005 c 443 s 6 are each amended to
23 read as follows:

24 The provisions of this chapter shall not apply in respect to the
25 use of:

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

28 (2) Motor vehicle and special fuel if:

29 (a) The fuel is used for the purpose of public transportation and
30 the purchaser is entitled to a refund or an exemption under RCW
31 82.36.275 or 82.38.080(3); or

32 (b) The fuel is purchased by a private, nonprofit transportation
33 provider certified under chapter 81.66 RCW and the purchaser is
34 entitled to a refund or an exemption under RCW 82.36.285 or
35 82.38.080(1)(h); or

36 (c) The fuel is purchased by a public transportation benefit area

1 created under chapter 36.57A RCW or a county-owned ferry or county
2 ferry district created under chapter 36.54 RCW for use in passenger-
3 only ferry vessels; or

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

11 NEW SECTION. **Sec. 11.** This act is necessary for the immediate
12 preservation of the public peace, health, or safety, or support of the
13 state government and its existing public institutions, and takes effect
14 immediately."

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15 On page 1, line 1 of the title, after "service;" strike the
16 remainder of the title and insert "amending RCW 36.54.130, 36.57A.220,
17 47.01.350, 47.60.662, 36.54.110, 47.60.658, 82.08.0255, and 82.12.0256;
18 amending 2006 c 332 s 2 (uncodified); adding a new section to chapter
19 36.54 RCW; and declaring an emergency."

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