

SHB 2746 - S COMM AMD
By Committee on Transportation

ADOPTED 03/06/2008

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

3 "NEW SECTION. **Sec. 1.** The legislature finds and declares that
4 units of state and local government purchasing large amounts of fuel in
5 the regular course of performing their function should have substantial
6 flexibility in acquiring fuel to obtain predictability and control of
7 fuel costs, and to maximize the use of renewable fuels. The
8 legislature hereby declares its intent to allow certain units of
9 government that regularly purchase large amounts of fuel to explore and
10 implement strategies that are designed to reduce the overall cost of
11 fuel and mitigate the impact of market fluctuations and pressure on
12 both short-term and long-term fuel costs.

13 NEW SECTION. **Sec. 2.** A new section is added to chapter 35.58 RCW
14 to read as follows:

15 (1) In performing the metropolitan transportation function,
16 metropolitan municipal corporations and counties that have assumed the
17 rights, powers, functions, and obligations of metropolitan municipal
18 corporations under chapter 36.56 RCW may explore and implement
19 strategies designed to reduce the overall cost of fuel and mitigate the
20 impact of market fluctuations and pressure on both short-term and long-
21 term fuel costs. These strategies may include, but are not limited to,
22 futures contracts, hedging, swap transactions, option contracts,
23 costless collars, and long-term storage.

24 (2) Metropolitan municipal corporations and counties that have
25 assumed the rights, powers, functions, and obligations of metropolitan
26 municipal corporations under chapter 36.56 RCW that choose to implement
27 the strategies authorized in this section must submit periodic reports
28 to the transportation committees of the legislature on the status of
29 any such implemented strategies. Each report must include a

1 description of each contract established to mitigate fuel costs, the
2 amounts of fuel covered by the contracts, the cost mitigation results,
3 and any related recommendations. The first report must be submitted
4 within one year of implementation.

5 NEW SECTION. **Sec. 3.** A new section is added to chapter 35.58 RCW
6 to read as follows:

7 If metropolitan municipal corporations and counties that have
8 assumed the rights, powers, functions, and obligations of metropolitan
9 municipal corporations under chapter 36.56 RCW choose to implement the
10 strategies authorized in section 2 of this act, the state is not liable
11 for any financial losses that may be incurred as the result of
12 participating in such strategies.

13 NEW SECTION. **Sec. 4.** A new section is added to chapter 47.60 RCW
14 to read as follows:

15 In performing the function of operating its ferry system, the
16 department may, subject to the availability of amounts appropriated for
17 this specific purpose and after consultation with the department of
18 general administration's office of state procurement, explore and
19 implement strategies designed to reduce the overall cost of fuel and
20 mitigate the impact of market fluctuations and pressure on both short-
21 term and long-term fuel costs. These strategies may include, but are
22 not limited to, futures contracts, hedging, swap transactions, option
23 contracts, costless collars, and long-term storage. The department
24 shall periodically submit a report to the transportation committees of
25 the legislature and the office of state procurement on the status of
26 any such implemented strategies, including cost mitigation results, a
27 description of each contract established to mitigate fuel costs, the
28 amounts of fuel covered by the contracts, the cost mitigation results,
29 and any related recommendations. The first report must be submitted
30 within one year of implementation."

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1 On page 1, line 1 of the title, after "fuel;" strike the remainder
2 of the title and insert "adding new sections to chapter 35.58 RCW;
3 adding a new section to chapter 47.60 RCW; and creating a new section."

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