

HOUSE BILL REPORT

E2SHB 1129

As Amended by the Senate

Title: An act relating to ferry vessel replacement.

Brief Description: Concerning ferry vessel replacement.

Sponsors: House Committee on Transportation (originally sponsored by Representative Morris).

Brief History:

Committee Activity:

Transportation: 1/31/13, 4/22/13 [DPS], 1/22/14, 1/29/14, 1/30/14 [DP2S].

Floor Activity:

Passed House: 2/12/14, 62-36.

Senate Amended.

Passed Senate: 3/7/14, 41-8.

Brief Summary of Engrossed Second Substitute Bill

- Requires the Department of Licensing (DOL) and a county auditor or other agent appointed by the Director of the DOL to collect a \$5 service fee for each vehicle registration and a \$12 service fee for each title transaction.
- Deposits the service fees in the Capital Vessel Replacement Account.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass. Signed by 18 members: Representatives Clibborn, Chair; Farrell, Vice Chair; Fey, Vice Chair; Moscoso, Vice Chair; Bergquist, Fitzgibbon, Freeman, Habib, Johnson, Moeller, Morris, Ortiz-Self, Riccelli, Ryu, Sells, Takko, Tarleton and Walkinshaw.

Minority Report: Do not pass. Signed by 12 members: Representatives Orcutt, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Overstreet, Assistant Ranking Minority Member; Hawkins, Hayes, Klippert, Kochmar, Muri, Pike, Shea, Young and Zeiger.

Staff: David Munnecke (786-7315).

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Background:

County auditors or other entities, acting as an agent and by appointment of the Director of the Department of Licensing (DOL), must provide various vehicle title and registration services to the public. This includes the processing of a report of sale, processing a transitional ownership, processing mail-in vehicle registration renewals, issuing registration and temporary off-road vehicle use permits, issuing registration for snowmobiles, and collecting taxes and fees.

The DOL may appoint privately owned businesses as licensing subagents (subagents) to process these transactions under contract with the county auditor. In addition to any other fees, registration and title transactions processed by a subagent are subject to a subagent service fee of \$5 for a registration and \$12 for a title.

The Washington State Department of Transportation Ferries Division (WSF) operates and maintains ferry vessels and terminals, constructs terminals, and acquires vessels. The system serves eight Washington counties and one Canadian province through 23 vessels and 20 terminals. The Washington State Transportation Commission (Transportation Commission) adopts the WSF fares and pricing policies by rule.

The Transportation Commission must impose a 25-cent surcharge on every ferry fare sold; the proceeds are deposited into the Capital Vessel Replacement Account (Account). The expenditures from the Account are by appropriation only and may be used only for the construction or purchase of ferry vessels and to pay the principal and interest on bonds authorized for the construction or purchase of ferry vessels. Any expenditures from the Account must first be used to support the construction or purchase, including any financing costs, of a ferry vessel capable of carrying at least 144 vehicles.

Summary of Engrossed Second Substitute Bill:

The DOL and a county auditor or other agent appointed by the Director of the DOL (Director) are required to collect a \$5 service fee for each initial and renewal vehicle registration and a \$12 service fee for each title transaction. These service fees must be deposited into the Account.

The service fees apply to vehicle registrations and title transactions beginning on January 1, 2015.

EFFECT OF SENATE AMENDMENT(S):

The new fees to be collected by the DOL, county auditor, or other agent appointed by the Director are removed. The DOL, county auditor, or other agent appointed by the Director are required instead to collect the service fees currently collected only by the subagents and deposit these fees in the capital vessel replacement account. The Legislature is authorized to transfer any excess balance in the capital vessel replacement account to the Puget Sound Ferry Operations Account.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

See House Bill Report in the 2013 Regular Session.

Persons Testifying: See House Bill Report in the 2013 Regular Session

Persons Signed In To Testify But Not Testifying: See House Bill Report in the 2013 Regular Session.