

SENATE BILL REPORT

SHB 1833

As Reported by Senate Committee On:
Transportation, April 4, 2023

Title: An act relating to setting ferry fuel surcharges.

Brief Description: Setting ferry fuel surcharges.

Sponsors: House Committee on Transportation (originally sponsored by Representatives Paul, Hutchins and Ramel).

Brief History: Passed House: 3/7/23, 95-0.

Committee Activity: Transportation: 3/27/23, 4/04/23 [DPA].

Brief Summary of Amended Bill

- Authorizes the Washington State Transportation Commission (Commission) to enact a ferry fuel surcharge when not enough fuel funding is provided in the enacted omnibus appropriations act.
- Prevents an imposed surcharge from going into effect until after the ensuing regular legislative session.
- Requires the Commission to assess the necessity of any surcharge imposed on a quarterly basis, and repeal the surcharge when deemed unnecessary.

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass as amended.

Signed by Senators Liias, Chair; Lovick, Vice Chair; Shewmake, Vice Chair; King, Ranking Member; Holy, Assistant Ranking Member; Cleveland, Fortunato, Hawkins, Kauffman, Lovelett, MacEwen, Nobles, Padden, Randall, Valdez, Wilson, C. and Wilson, J..

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

Staff: Jenna Forty (786-7755)

Background: The 2010 Supplemental Transportation budget authorized the Washington State Transportation Commission (Commission) to impose a ferry fuel charge with an effective date of July 1, 2011, as well as to conduct all procedures required for setting ferry fares by rule. The Commission adopted rules for setting the ferry fuel surcharge effective October 1, 2011, and to date a fuel surcharge has not been imposed.

The Commission sets fares for the Washington state ferries annually by September 1st. The fare process is informed by the appropriation levels set by the legislative budget process, as well as forecasts of fuel consumption, prices, actual gallons used and price, and pricing under hedging contracts.

Summary of Amended Bill: The Commission may impose a fuel surcharge if not enough fuel funding was provided in the enacted omnibus appropriations act, but the surcharge may not go into effect until after the ensuing regular legislative session. Enactment of a fuel surcharge must be reevaluated by the Commission on a quarterly basis to determine its continued necessity, and the surcharge must be revoked when determined to be no longer needed.

EFFECT OF TRANSPORTATION COMMITTEE AMENDMENT(S):

- Allows the Commission to enact a surcharge if not enough funding is provided for fuel in an enacted budget, but the surcharge cannot be imposed until after the ensuing legislative session.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony on Substitute House Bill: *The committee recommended a different version of the bill than what was heard.* PRO: Ferry riders have been through a lot the last couple years. The past year a surcharge was almost enacted by the Commission, because of a spike in fuel price. This is not a process used in any other part of the state budget and it should not be used for the state ferry system. The Commission had to use an emergency rule to stop a surcharge from going into effect.

OTHER: This bill requires the Legislature to direct the Commission. If prices go up in the interim, when the Legislature is not in session, there are no longer tools to address the fuel price escalation. The price of fuel has been extremely volatile and harder to predict with

certainty.

Persons Testifying: PRO: Representative Dave Paul, Prime Sponsor.

OTHER: Reema Griffith, Washington State Transportation Commission; Aaron Halbert, Washington State Transportation Commission.

Persons Signed In To Testify But Not Testifying: No one.