

ESSB 6787 - H AMD 1185

By Representative Cody

ADOPTED 03/08/2006

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

3 "Sec. 1. RCW 47.60.645 and 1995 2nd sp.s. c 14 s 558 are each
4 amended to read as follows:

5 There is hereby established in the transportation fund the
6 passenger ferry account. Money in the account shall be used for
7 ~~((capital improvements for passenger ferry projects including, but not~~
8 ~~limited to, pedestrian and transit facilities at ferry terminals and~~
9 ~~passenger only ferry vessels)) operating or capital grants for ferry
10 systems as provided in chapters 36.54 and 36.57A RCW. Moneys in the
11 account shall be expended with legislative appropriation.~~

12 NEW SECTION. Sec. 2. By October 31, 2006, the department of
13 transportation shall have an independent appraisal of the market value
14 of the Washington state ferries Snohomish and Chinook and present it to
15 the transportation committees of the legislature and the governor by
16 November 1, 2006. The department of transportation shall sell or
17 otherwise dispose of the Washington state ferries Snohomish and Chinook
18 for market value and deposit the proceeds of the sales into the
19 passenger ferry account created in RCW 47.60.645 as soon as practicable
20 upon approval by the governor of the business plan described in RCW
21 36.54.110(5).

22 NEW SECTION. Sec. 3. A new section is added to chapter 47.60 RCW
23 to read as follows:

24 The department shall maintain the level of service existing on
25 January 1, 2006, for the Vashon to Seattle passenger-only ferry route
26 until such time as the legislature approves a county ferry district's
27 assumption of the route, as authorized under RCW 36.54.110(5),
28 providing a level of service at or exceeding the state level.

1 NEW SECTION. **Sec. 4.** A new section is added to chapter 47.01 RCW
2 to read as follows:

3 (1) The department of transportation shall establish a ferry grant
4 program subject to availability of amounts appropriated for this
5 specific purpose. The purpose of the grant program is to provide
6 operating or capital grants for ferry systems as provided in chapters
7 36.54 and 36.57A RCW to operate passenger-only ferry service.

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

12 (3) Priority shall be given to grant applications that provide
13 continuity of existing passenger-only service and the provision of
14 local or federal matching funds.

15 NEW SECTION. **Sec. 5.** A new section is added to chapter 47.60 RCW
16 to read as follows:

17 The Washington state ferry system shall collaborate with new and
18 potential passenger-only ferry service providers, as described in RCW
19 36.54.110(5), for terminal operations at its existing terminal
20 facilities.

21 NEW SECTION. **Sec. 6.** A new section is added to chapter 47.01 RCW
22 to read as follows:

23 The office of financial management shall contract to develop a
24 back-up plan for operating the Vashon to Seattle passenger-only ferry
25 route existing on January 1, 2006, that does not include operations by
26 state government.

27 **Sec. 7.** RCW 36.54.110 and 2003 c 83 s 301 are each amended to read
28 as follows:

29 (1) The legislative authority of a county (~~((with a population over
30 one million persons and having a boundary on Puget Sound))~~) may adopt an
31 ordinance creating a ferry district in all or a portion of the area of
32 the county, including the area within the corporate limits of any city
33 or town within the county. The ordinance may be adopted only after a
34 public hearing has been held on the creation of a ferry district, and

1 the county legislative authority makes a finding that it is in the
2 public interest to create the district. (~~(A ferry district is limited~~
3 ~~to providing passenger only ferry service.)~~)

4 (2) A ferry district is a municipal corporation, an independent
5 taxing "authority" within the meaning of Article VII, section 1 of the
6 state Constitution, and a "taxing district" within the meaning of
7 Article VII, section 2 of the state Constitution.

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

13 (4) The members of the county legislative authority, acting ex
14 officio and independently, shall compose the governing body of any
15 ferry district that is created within the county. The voters of a
16 ferry district must be registered voters residing within the boundaries
17 of the district.

18 (5) (~~For the purposes of this section, Puget Sound is considered~~
19 ~~as extending north as far as the Canadian border and west as far as~~
20 ~~Port Angeles.)) A county with a population greater than one million
21 persons and having a boundary on Puget Sound, or a county to the west
22 of Puget Sound with a population greater than two hundred thirty
23 thousand but less than three hundred thousand persons, proposing to
24 create a ferry district to assume a passenger-only ferry route between
25 Vashon and Seattle, including an expansion of that route to include
26 Southworth, shall first receive approval from the governor after
27 submitting a complete business plan to the governor and the legislature
28 by November 1, 2006. The business plan must, at a minimum, include
29 hours of operation, vessel needs, labor needs, proposed routes,
30 passenger terminal facilities, passenger rates, anticipated federal and
31 local funding, coordination with Washington state ferry system,
32 coordination with existing transit providers, long-term operation and
33 maintenance needs, and long-term financial plan. The business plan may
34 include provisions regarding coordination with an appropriate county to
35 participate in a joint ferry under RCW 36.54.030 through 36.54.070. In
36 order to be considered for assuming the route, the ferry district shall
37 ensure that the route will be operated only by the ferry district and
38 not contracted out to a private entity, all existing labor agreements~~

1 will be honored, and operations will begin no later than July 1, 2007.
2 If the route is to be expanded to include serving Southworth, the ferry
3 district shall enter into an interlocal agreement with the public
4 transportation benefit area serving the Southworth ferry terminal
5 within thirty days of beginning Southworth ferry service. For the
6 purposes of this subsection, Puget Sound is considered as extending
7 north to Admiralty Inlet.

8 **NEW SECTION.** **Sec. 8.** A new section is added to chapter 36.57A RCW
9 to read as follows:

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

20 **Sec. 9.** RCW 36.54.130 and 2003 c 83 s 303 are each amended to read
21 as follows:

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

29 (2) A tax imposed under this section may be used only for providing
30 (~~passenger-only~~) ferry services, including the purchase, lease, or
31 rental of (~~passenger-only~~) ferry vessels and dock facilities, the
32 operation and maintenance of (~~passenger-only~~) ferry vessels and dock
33 facilities, and related personnel costs.

34 **Sec. 10.** RCW 36.54.050 and 1963 c 4 s 36.54.050 are each amended
35 to read as follows:

1 The joint commission is authorized to transact all business
2 necessary in carrying out the purposes of RCW 36.54.030 through
3 36.54.070 and its acts shall be binding upon the two counties, and one-
4 half of all bills and obligations created by the commission shall be
5 binding and a legal charge against the road fund of each county and the
6 claims therefor shall be allowed and paid out of the county road fund
7 the same as other claims against said fund are allowed and paid, unless
8 otherwise provided in an agreement between the two counties.

9 **Sec. 11.** RCW 81.84.020 and 2005 c 313 s 609 and 2005 c 121 s 7 are
10 each reenacted and amended to read as follows:

11 (1) Upon the filing of an application the commission shall give
12 reasonable notice to the department, affected cities, counties, and
13 public transportation benefit areas and any common carrier which might
14 be adversely affected, of the time and place for hearing on such
15 application. The commission shall have power after notice and an
16 opportunity for a hearing, to issue the certificate as prayed for, or
17 to refuse to issue it, or to issue it for the partial exercise only of
18 the privilege sought, and may attach to the exercise of the rights
19 granted by said certificate such terms and conditions as in its
20 judgment the public convenience and necessity may require; but the
21 commission shall not have power to grant a certificate to operate
22 between districts and/or into any territory prohibited by RCW 47.60.120
23 or already served by an existing certificate holder, unless such
24 existing certificate holder has failed or refused to furnish reasonable
25 and adequate service, has failed to provide the service described in
26 its certificate or tariffs after the time period allowed to initiate
27 service has elapsed, or has not objected to the issuance of the
28 certificate as prayed for: PROVIDED, A certificate shall be granted
29 when it shall appear to the satisfaction of the commission that the
30 commercial ferry was actually operating in good faith over the route
31 for which such certificate shall be sought, on January 15, 1927:
32 PROVIDED, FURTHER, That in case two or more commercial ferries shall
33 upon said date have been operating vessels upon the same route, or
34 between the same districts the commission shall determine after public
35 hearing whether one or more certificates shall issue, and in
36 determining to whom a certificate or certificates shall be issued, the
37 commission shall consider all material facts and circumstances

1 including the prior operation, schedules, and services rendered by
2 either of the ferries, and in case more than one certificate shall
3 issue, the commission shall fix and determine the schedules and
4 services of the ferries to which the certificates are issued to the end
5 that duplication of service be eliminated and public convenience be
6 furthered.

7 (2) Before issuing a certificate, the commission shall determine
8 that the applicant has the financial resources to operate the proposed
9 service for at least twelve months, based upon the submission by the
10 applicant of a pro forma financial statement of operations. Issuance
11 of a certificate shall be determined upon, but not limited to, the
12 following factors: Ridership and revenue forecasts; the cost of
13 service for the proposed operation; an estimate of the cost of the
14 assets to be used in providing the service; a statement of the total
15 assets on hand of the applicant that will be expended on the proposed
16 operation; and a statement of prior experience, if any, in such field
17 by the applicant. The documentation required of the applicant under
18 this section shall comply with the provisions of RCW 9A.72.085.

19 (3) Subsection (2) of this section does not apply to an application
20 for a certificate that is pending as of July 25, 1993.

21 (4) In granting a certificate for passenger-only ferries and
22 determining what conditions to place on the certificate, the commission
23 shall consider and give substantial weight to the effect of its
24 decisions on public agencies operating, or eligible to operate,
25 passenger-only ferry service.

26 (5) Until July 1, ((2006)) 2007, the commission shall not accept or
27 consider an application for passenger-only ferry service serving any
28 county in the Puget Sound area with a population of over one million
29 people. Applications for passenger-only ferry service serving any
30 county in the Puget Sound area with a population of over one million
31 pending before the commission as of May 9, 2005, shall be held in
32 abeyance and not considered before July 1, ((2006)) 2007."

33 Correct the title.

EFFECT: Moneys in the Passenger Ferry Account must be used for

operating or capital grants for ferry systems. By October 31, 2006, the Department of Transportation (DOT) must have an independent appraisal of the WSF vessels Snohomish and Chinook and shall sell the vessels as soon as is practical after the Governor has approved a business plan for passenger-only ferry (POF) service between Seattle and Vashon. DOT shall maintain service on the Seattle to Vashon POF route until the Legislature approves a county ferry district's assumption of that route. DOT shall establish a ferry grant program for ferry systems providing POF service. DOT shall collaborate for terminal operations' new POF service providers. OFM shall contract to develop a back-up plan for Seattle to Vashon POF service. Counties other than King may create ferry districts; ferry districts are not limited to providing POF service. Counties proposing ferry districts to serve Vashon to Seattle, including an expansion to include Southworth, must first submit a business plan to the Governor and the Legislature and receive approval from the Governor. The ferry district must ensure that the route is operated by a public entity and that all existing labor agreements are honored. A transit agency seeking funding for POF service between Kingston and Seattle must submit a business plan to the Governor and the Legislature and receive approval from the Governor. Existing property tax authority for ferry districts may be used for all types of ferry service, not just POF. The moratorium on new applications for additional private POF service into King County is extended by one year.

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