
SENATE BILL 5742

State of Washington 62nd Legislature 2011 Regular Session

By Senators Haugen, Ranker, and Shin

Read first time 02/09/11. Referred to Committee on Transportation.

1 AN ACT Relating to the administration and distribution of
2 Washington state ferry system revenue; amending RCW 47.60.530,
3 47.60.315, 82.08.0255, and 82.12.0256; and adding a new section to
4 chapter 47.60 RCW.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 47.60.530 and 1979 c 27 s 4 are each amended to read
7 as follows:

8 (~~There is hereby created in the motor vehicle fund~~) (1) The Puget
9 Sound ferry operations account ((to the credit of which shall be
10 deposited all moneys directed by law to be deposited therein. All
11 moneys deposited in this account shall be expended pursuant to
12 appropriations only for reimbursement of the motor vehicle fund for any
13 state moneys, other than insurance proceeds, expended therefrom for
14 alternate transportation services instituted as a result of the
15 destruction of the Hood Canal bridge, and)) is created in the motor
16 vehicle fund.

17 (2) The following funds must be deposited into the account:

18 (a) All moneys directed by law;

19 (b) All revenues generated from ferry fares; and

1 (c) All revenues generated from commercial advertising,
2 concessions, parking, and leases as allowed under RCW 47.60.140.

3 (3) Moneys in the account may be spent only after appropriation.

4 (4) Expenditures from the account may be used only for the
5 maintenance and operation of the Washington state ferries (~~(including~~
6 ~~the Hood Canal bridge, supplementing as required the revenues available~~
7 ~~from the Washington state ferry system)).~~

8 NEW SECTION. Sec. 2. A new section is added to chapter 47.60 RCW
9 to read as follows:

10 (1) The capital vessel replacement account is created in the motor
11 vehicle fund. All revenues generated from the vessel replacement
12 surcharge under RCW 46.70.315(7) must be deposited into the account.
13 Moneys in the account may be spent only after appropriation.
14 Expenditures from the account may be used only for the construction or
15 purchase of ferry vessels.

16 (2) The state treasurer shall not transfer any moneys from the
17 capital vessel replacement account.

18 **Sec. 3.** RCW 47.60.315 and 2007 c 512 s 6 are each amended to read
19 as follows:

20 (1) The commission shall adopt fares and pricing policies by rule,
21 under chapter 34.05 RCW, according to the following schedule:

22 (a) Each year the department shall provide the commission a report
23 of its review of fares and pricing policies, with recommendations for
24 the revision of fares and pricing policies for the ensuing year;

25 (b) By September 1st of each year, beginning in 2008, the
26 commission shall adopt by rule fares and pricing policies for the
27 ensuing year.

28 (2) The commission may adopt by rule fares that are effective for
29 more or less than one year for the purposes of transitioning to the
30 fare schedule in subsection (1) of this section.

31 (3) The commission may increase ferry fares included in the
32 schedule of charges adopted under this section by a percentage that
33 exceeds the fiscal growth factor.

34 (4) The chief executive officer of the ferry system may authorize
35 the use of promotional, discounted, and special event fares to the
36 general public and commercial enterprises for the purpose of maximizing

1 capacity use and the revenues collected by the ferry system. The
2 department shall report to the commission a summary of the promotional,
3 discounted, and special event fares offered during each fiscal year and
4 the financial results from these activities.

5 (5) Fare revenues and other revenues deposited in the Puget Sound
6 ferry operations account created in RCW 47.60.530 may not be used to
7 support the Puget Sound capital construction account created in RCW
8 47.60.505, unless the support for capital is separately identified in
9 the fare.

10 (6) The commission may not raise fares until the fare rules contain
11 pricing policies developed under RCW 47.60.290, or September 1, 2009,
12 whichever is later.

13 (7) The department shall impose a vessel replacement surcharge of
14 twenty-five cents on every ferry fare sold. This surcharge must be
15 clearly indicated to ferry passengers and drivers and, if possible, on
16 the fare media itself.

17 **Sec. 4.** RCW 82.08.0255 and 2007 c 223 s 9 are each amended to read
18 as follows:

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

21 (a) The fuel is purchased for the purpose of public transportation
22 and the purchaser is entitled to a refund or an exemption under RCW
23 82.36.275 or 82.38.080(3); or

24 (b) The fuel is purchased by a private, nonprofit transportation
25 provider certified under chapter 81.66 RCW and the purchaser is
26 entitled to a refund or an exemption under RCW 82.36.285 or
27 82.38.080(1)(h); or

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

32 (d) The fuel is purchased by the Washington state ferry system for
33 use in a state-owned ferry after June 30, 2013; or

34 (e) The fuel is taxable under chapter 82.36 or 82.38 RCW.

35 (2) Any person who has paid the tax imposed by RCW 82.08.020 on the
36 sale of special fuel delivered in this state shall be entitled to a
37 credit or refund of such tax with respect to fuel subsequently

1 established to have been actually transported and used outside this
2 state by persons engaged in interstate commerce. The tax shall be
3 claimed as a credit or refunded through the tax reports required under
4 RCW 82.38.150.

5 **Sec. 5.** RCW 82.12.0256 and 2007 c 223 s 10 are each amended to
6 read as follows:

7 The provisions of this chapter shall not apply in respect to the
8 use of:

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

11 (2) Motor vehicle and special fuel if:

12 (a) The fuel is used for the purpose of public transportation and
13 the purchaser is entitled to a refund or an exemption under RCW
14 82.36.275 or 82.38.080(3); or

15 (b) The fuel is purchased by a private, nonprofit transportation
16 provider certified under chapter 81.66 RCW and the purchaser is
17 entitled to a refund or an exemption under RCW 82.36.285 or
18 82.38.080(1)(h); or

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

23 (d) The fuel is taxable under chapter 82.36 or 82.38 RCW:
24 PROVIDED, That the use of motor vehicle and special fuel upon which a
25 refund of the applicable fuel tax is obtained shall not be exempt under
26 this subsection (2)(d), and the director of licensing shall deduct from
27 the amount of such tax to be refunded the amount of tax due under this
28 chapter and remit the same each month to the department of revenue; or

29 (e) The fuel is purchased by the Washington state ferry system for
30 use in a state-owned ferry after June 30, 2013.

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