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SENATE BILL 5862

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State of Washington                      60th Legislature                      2007 Regular Session

By Senators Kilmer, Rockefeller, Poulsen, Kohl-Welles and Kline

Read first time 02/05/2007. Referred to Committee on Transportation.

1            AN ACT Relating to passenger-only ferry service funding; amending  
2 RCW 36.57A.220, 47.01.350, 47.60.622, and 82.08.0255; amending 2006 c  
3 332 s 2 (uncodified); adding a new section to chapter 47.60 RCW;  
4 creating a new section; and declaring an emergency.

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

6            NEW SECTION.    **Sec. 1.** A new section is added to chapter 47.60 RCW  
7 to read as follows:

8            By August 1st, November 1st, February 1st, and May 1st of every  
9 year, the department of transportation shall notify the state treasurer  
10 in writing of the amount of state sales and use tax paid under chapters  
11 82.08 and 82.12 RCW by the Washington state ferries on the purchase of  
12 fuel for the preceding calendar quarter. By September 1st, December  
13 1st, March 1st, and June 1st of every year, the state treasurer shall  
14 transfer an amount equal to the amount indicated by the department in  
15 their notification to the treasurer into the passenger ferry account  
16 created in RCW 47.60.645.

17            NEW SECTION.    **Sec. 2.** The indication of the amount of fuel taxes

1 paid by the Washington state ferries in section 1 of this act applies  
2 to all calendar quarters beginning on or after April 1, 2007.

3 **Sec. 3.** RCW 36.57A.220 and 2006 c 332 s 8 are each amended to read  
4 as follows:

5 A public transportation benefit area seeking grant funding as  
6 described in RCW 47.01.350 for a passenger-only ferry route between  
7 Kingston and Seattle shall first receive approval from the governor  
8 after submitting a complete business plan to the governor and the  
9 legislature by November 1, ~~((2006))~~ 2007. The business plan must, at  
10 a minimum, include hours of operation, vessel needs, labor needs,  
11 proposed routes, passenger terminal facilities, passenger rates,  
12 anticipated federal and local funding, coordination with the Washington  
13 state ferry system, coordination with existing transit providers, long-  
14 term operation and maintenance needs, and a long-term financial plan.

15 **Sec. 4.** RCW 47.01.350 and 2006 c 332 s 4 are each amended to read  
16 as follows:

17 (1) The department of transportation shall establish a ferry grant  
18 program subject to availability of amounts appropriated for this  
19 specific purpose. The purpose of the grant program is to provide  
20 operating or capital grants for ferry systems as provided in chapters  
21 36.54 and 36.57A RCW to operate passenger-only ferry service.

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

26 ~~((3) Priority shall be given to grant applications that provide  
27 continuity of existing passenger only service and the provision of  
28 local or federal matching funds.))~~

29 **Sec. 5.** RCW 47.60.662 and 2006 c 332 s 5 are each amended to read  
30 as follows:

31 The Washington state ferry system shall collaborate with new and  
32 potential passenger-only ferry service providers, as described in ~~((RCW  
33 36.54.110(5))~~) chapters 36.54 and 36.57A RCW, for terminal operations  
34 at its existing terminal facilities.

1       **Sec. 6.** RCW 82.08.0255 and 2005 c 443 s 5 are each amended to read  
2 as follows:

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

5       (a) The fuel is purchased for the purpose of public transportation  
6 and the purchaser is entitled to a refund or an exemption under RCW  
7 82.36.275 or 82.38.080(3); or

8       (b) The fuel is purchased by a private, nonprofit transportation  
9 provider certified under chapter 81.66 RCW and the purchaser is  
10 entitled to a refund or an exemption under RCW 82.36.285 or  
11 82.38.080(1)(h); or

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

16       (d) The fuel is taxable under chapter 82.36 or 82.38 RCW.

17       (2) Any person who has paid the tax imposed by RCW 82.08.020 on the  
18 sale of special fuel delivered in this state shall be entitled to a  
19 credit or refund of such tax with respect to fuel subsequently  
20 established to have been actually transported and used outside this  
21 state by persons engaged in interstate commerce. The tax shall be  
22 claimed as a credit or refunded through the tax reports required under  
23 RCW 82.38.150.

24       **Sec. 7.** 2006 c 332 s 2 (uncodified) is amended to read as follows:

25       By October 31, 2006, the department of transportation shall have an  
26 independent appraisal of the market value of the Washington state  
27 ferries Snohomish and Chinook and present it to the transportation  
28 committees of the legislature and the governor by November 1, 2006.  
29 The department of transportation shall sell or otherwise dispose of the  
30 Washington state ferries Snohomish and Chinook for market value and  
31 deposit the proceeds of the sales into the passenger ferry account  
32 created in RCW 47.60.645 (~~(as soon as practicable upon approval by the~~  
33 ~~governor of the business plan described in RCW 36.54.110(5))~~) by June  
34 30, 2007.

35       NEW SECTION. **Sec. 8.** This act is necessary for the immediate

1 preservation of the public peace, health, or safety, or support of the  
2 state government and its existing public institutions, and takes effect  
3 immediately.

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