
SENATE BILL 6502

State of Washington **55th Legislature** **1998 Regular Session**

By Senators Horn, Haugen, Benton, Goings and Wood

Read first time 01/20/98. Referred to Committee on Transportation.

1 AN ACT Relating to obsolete transportation accounts and funds;
2 amending RCW 43.84.092, 43.160.010, 47.01.280, 47.02.130, 47.02.150,
3 47.10.801, 47.10.803, 47.12.125, 47.56.772, 47.60.150, 47.60.326, and
4 47.60.440; reenacting and amending RCW 46.68.090; creating a new
5 section; repealing RCW 46.68.180, 46.68.190, 46.68.200, 46.68.210,
6 47.02.180, 47.13.010, 47.13.020, 47.13.030, 47.13.040, 47.13.900, and
7 47.56.775; and providing an effective date.

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

9 NEW SECTION. **Sec. 1.** The legislature finds that a periodic review
10 of the accounts and their uses is necessary. While creating new
11 accounts may facilitate the implementation of legislative intent, the
12 creation of too many accounts limits the effectiveness of performance-
13 based budgeting. Too many accounts also limit the flexibility of the
14 legislature to address emerging and changing issues in addition to
15 creating administrative burdens for the responsible agencies. Accounts
16 created for specific purposes may no longer be valid or needed.
17 Accordingly, this act eliminates accounts that are not in use or are
18 unneeded and consolidates accounts that are similar in nature.

1 **Sec. 2.** RCW 43.84.092 and 1997 c 218 s 5 are each amended to read
2 as follows:

3 (1) All earnings of investments of surplus balances in the state
4 treasury shall be deposited to the treasury income account, which
5 account is hereby established in the state treasury.

6 (2) The treasury income account shall be utilized to pay or receive
7 funds associated with federal programs as required by the federal cash
8 management improvement act of 1990. The treasury income account is
9 subject in all respects to chapter 43.88 RCW, but no appropriation is
10 required for refunds or allocations of interest earnings required by
11 the cash management improvement act. Refunds of interest to the
12 federal treasury required under the cash management improvement act
13 fall under RCW 43.88.180 and shall not require appropriation. The
14 office of financial management shall determine the amounts due to or
15 from the federal government pursuant to the cash management improvement
16 act. The office of financial management may direct transfers of funds
17 between accounts as deemed necessary to implement the provisions of the
18 cash management improvement act, and this subsection. Refunds or
19 allocations shall occur prior to the distributions of earnings set
20 forth in subsection (4) of this section.

21 (3) Except for the provisions of RCW 43.84.160, the treasury income
22 account may be utilized for the payment of purchased banking services
23 on behalf of treasury funds including, but not limited to, depository,
24 safekeeping, and disbursement functions for the state treasury and
25 affected state agencies. The treasury income account is subject in all
26 respects to chapter 43.88 RCW, but no appropriation is required for
27 payments to financial institutions. Payments shall occur prior to
28 distribution of earnings set forth in subsection (4) of this section.

29 (4) Monthly, the state treasurer shall distribute the earnings
30 credited to the treasury income account. The state treasurer shall
31 credit the general fund with all the earnings credited to the treasury
32 income account except:

33 (a) The following accounts and funds shall receive their
34 proportionate share of earnings based upon each account's and fund's
35 average daily balance for the period: The capitol building
36 construction account, the Cedar River channel construction and
37 operation account, the Central Washington University capital projects
38 account, the charitable, educational, penal and reformatory
39 institutions account, the common school construction fund, the county

1 criminal justice assistance account, the county sales and use tax
2 equalization account, the data processing building construction
3 account, the deferred compensation administrative account, the deferred
4 compensation principal account, the department of retirement systems
5 expense account, the drinking water assistance account, the Eastern
6 Washington University capital projects account, the education
7 construction fund, the emergency reserve fund, the federal forest
8 revolving account, the health services account, the public health
9 services account, the health system capacity account, the personal
10 health services account, the highway infrastructure account, the
11 industrial insurance premium refund account, the judges' retirement
12 account, the judicial retirement administrative account, the judicial
13 retirement principal account, the local leasehold excise tax account,
14 the local real estate excise tax account, the local sales and use tax
15 account, the medical aid account, the mobile home park relocation fund,
16 the municipal criminal justice assistance account, the municipal sales
17 and use tax equalization account, the natural resources deposit
18 account, the perpetual surveillance and maintenance account, the public
19 employees' retirement system plan I account, the public employees'
20 retirement system plan II account, (~~the Puyallup tribal settlement~~
21 ~~account,~~) the resource management cost account, the site closure
22 account, the special wildlife account, the state employees' insurance
23 account, the state employees' insurance reserve account, the state
24 investment board expense account, the state investment board commingled
25 trust fund accounts, the supplemental pension account, the teachers'
26 retirement system plan I account, the teachers' retirement system plan
27 II account, the transportation infrastructure account, the tuition
28 recovery trust fund, the University of Washington bond retirement fund,
29 the University of Washington building account, the volunteer fire
30 fighters' relief and pension principal account, the volunteer fire
31 fighters' relief and pension administrative account, the Washington
32 judicial retirement system account, the Washington law enforcement
33 officers' and fire fighters' system plan I retirement account, the
34 Washington law enforcement officers' and fire fighters' system plan II
35 retirement account, the Washington state patrol retirement account, the
36 Washington State University building account, the Washington State
37 University bond retirement fund, the water pollution control revolving
38 fund, and the Western Washington University capital projects account.
39 Earnings derived from investing balances of the agricultural permanent

1 fund, the normal school permanent fund, the permanent common school
2 fund, the scientific permanent fund, and the state university permanent
3 fund shall be allocated to their respective beneficiary accounts. All
4 earnings to be distributed under this subsection (4)(a) shall first be
5 reduced by the allocation to the state treasurer's service fund
6 pursuant to RCW 43.08.190.

7 (b) The following accounts and funds shall receive eighty percent
8 of their proportionate share of earnings based upon each account's or
9 fund's average daily balance for the period: The aeronautics account,
10 the aircraft search and rescue account, the central Puget Sound public
11 transportation account, the city hardship assistance account, the
12 county arterial preservation account, the department of licensing
13 services account, (~~the economic development account,~~) the essential
14 rail assistance account, (~~the essential rail banking account,~~) the
15 ferry bond retirement fund, (~~the gasohol exemption holding account,~~)
16 the grade crossing protective fund, the high capacity transportation
17 account, the highway bond retirement fund, (~~the highway construction
18 stabilization account,~~) the highway safety account, (~~the marine
19 operating fund,~~) the motor vehicle fund, the motorcycle safety
20 education account, the pilotage account, the public transportation
21 systems account, the Puget Sound capital construction account, the
22 Puget Sound ferry operations account, the recreational vehicle account,
23 the rural arterial trust account, the safety and education account, the
24 small city account, the special category C account, the state patrol
25 highway account, (~~the transfer relief account, the transportation
26 capital facilities account,~~) the transportation equipment fund, the
27 transportation fund, the transportation improvement account, (~~the
28 transportation revolving loan account,~~) and the urban arterial trust
29 account.

30 (5) In conformance with Article II, section 37 of the state
31 Constitution, no treasury accounts or funds shall be allocated earnings
32 without the specific affirmative directive of this section.

33 **Sec. 3.** RCW 43.160.010 and 1996 c 51 s 1 are each amended to read
34 as follows:

35 (1) The legislature finds that it is the public policy of the state
36 of Washington to direct financial resources toward the fostering of
37 economic development through the stimulation of investment and job
38 opportunities and the retention of sustainable existing employment for

1 the general welfare of the inhabitants of the state. Reducing
2 unemployment and reducing the time citizens remain jobless is important
3 for the economic welfare of the state. A valuable means of fostering
4 economic development is the construction of public facilities which
5 contribute to the stability and growth of the state's economic base.
6 Strengthening the economic base through issuance of industrial
7 development bonds, whether single or umbrella, further serves to reduce
8 unemployment. Consolidating issues of industrial development bonds
9 when feasible to reduce costs additionally advances the state's purpose
10 to improve economic vitality. Expenditures made for these purposes as
11 authorized in this chapter are declared to be in the public interest,
12 and constitute a proper use of public funds. A community economic
13 revitalization board is needed which shall aid the development of
14 economic opportunities. The general objectives of the board should
15 include:

16 (a) Strengthening the economies of areas of the state which have
17 experienced or are expected to experience chronically high unemployment
18 rates or below average growth in their economies;

19 (b) Encouraging the diversification of the economies of the state
20 and regions within the state in order to provide greater seasonal and
21 cyclical stability of income and employment;

22 (c) Encouraging wider access to financial resources for both large
23 and small industrial development projects;

24 (d) Encouraging new economic development or expansions to maximize
25 employment;

26 (e) Encouraging the retention of viable existing firms and
27 employment; and

28 (f) Providing incentives for expansion of employment opportunities
29 for groups of state residents that have been less successful relative
30 to other groups in efforts to gain permanent employment.

31 (2) The legislature also finds that the state's economic
32 development efforts can be enhanced by, in certain instances, providing
33 funds to improve state highways in the vicinity of new industries
34 considering locating in this state or existing industries that are
35 considering significant expansion.

36 (a) The legislature finds it desirable to provide a process whereby
37 the need for diverse public works improvements necessitated by planned
38 economic development can be addressed in a timely fashion and with
39 coordination among all responsible governmental entities.

1 (b) It is the intent of the legislature to create ((~~an economic~~
2 ~~development account within~~)) a program funded by the motor vehicle fund
3 from which expenditures can be made by the department of transportation
4 for state highway improvements necessitated by planned economic
5 development. All such improvements must first be approved by the state
6 transportation commission and the community economic revitalization
7 board in accordance with the procedures established by RCW 43.160.074
8 and 47.01.280. It is further the intent of the legislature that such
9 improvements not jeopardize any other planned highway construction
10 projects. The improvements are intended to be of limited size and
11 cost, and to include such items as additional turn lanes,
12 signalization, illumination, and safety improvements.

13 (3) The legislature also finds that the state's economic
14 development efforts can be enhanced by providing funds to improve
15 markets for those recyclable materials representing a large fraction of
16 the waste stream. The legislature finds that public facilities which
17 result in private construction of processing or remanufacturing
18 facilities for recyclable materials are eligible for consideration from
19 the board.

20 (4) The legislature finds that sharing economic growth state-wide
21 is important to the welfare of the state. Rural natural resource
22 impact areas do not share in the economic vitality of the Puget Sound
23 region. Infrastructure is one of several ingredients that are critical
24 for economic development. Rural natural resource impact areas
25 generally lack the infrastructure necessary to diversify and revitalize
26 their economies. It is, therefore, the intent of the legislature to
27 increase the availability of funds to help provide infrastructure to
28 rural natural resource impact areas.

29 **Sec. 4.** RCW 46.68.090 and 1994 c 225 s 2 and 1994 c 179 s 3 are
30 each reenacted and amended to read as follows:

31 (1) All moneys that have accrued or may accrue to the motor vehicle
32 fund from the motor vehicle fuel tax and special fuel tax shall be
33 first expended for the following purposes:

34 (a) For payment of refunds of motor vehicle fuel tax and special
35 fuel tax that has been paid and is refundable as provided by law;

36 (b) For payment of amounts to be expended pursuant to
37 appropriations for the administrative expenses of the offices of state
38 treasurer, state auditor, and the department of licensing of the state

1 of Washington in the administration of the motor vehicle fuel tax and
2 the special fuel tax, which sums shall be distributed monthly;

3 ~~(c) ((From April 1, 1992, through March 31, 1996, for distribution~~
4 ~~to the transfer relief account, hereby created in the motor vehicle~~
5 ~~fund, an amount not to exceed three hundred twenty five one thousandths~~
6 ~~of one percent;~~

7 ~~(d))~~ For distribution to the rural arterial trust account in the
8 motor vehicle fund, an amount as provided in RCW 82.36.025(2) and
9 46.68.095(3);

10 ~~((e))~~ (d) For distribution to the urban arterial trust account in
11 the motor vehicle fund, an amount as provided in RCW 46.68.100(4) and
12 82.36.025(3);

13 ~~((f))~~ (e) For distribution to the transportation improvement
14 account in the motor vehicle fund, an amount as provided in RCW
15 46.68.095(1);

16 ~~((g))~~ (f) For distribution to the special category C account,
17 hereby created in the motor vehicle fund, an amount as provided in RCW
18 46.68.095(2);

19 ~~((h))~~ (g) For distribution to the county arterial preservation
20 account, hereby created in the motor vehicle fund, an amount as
21 provided in RCW 46.68.095(4);

22 ~~((i))~~ (h) For distribution to the motor vehicle fund to be
23 allocated to cities and towns as provided in RCW 46.68.110, an amount
24 as provided in RCW 46.68.095(5);

25 ~~((j))~~ (i) For distribution to the motor vehicle fund to be
26 allocated to counties as provided in RCW 46.68.120, an amount as
27 provided in RCW 46.68.095(6);

28 ~~((k))~~ (j) For expenditure for highway purposes of the state as
29 defined in RCW 46.68.130, an amount as provided in RCW 82.36.025(4) and
30 46.68.095(7);

31 ~~((l) From July 1, 1994, through June 30, 1995, for distribution to~~
32 ~~the gasohol exemption holding account, hereby created in the motor~~
33 ~~vehicle fund, an amount equal to five and thirty four one hundredths of~~
34 ~~one percent of the amount available prior to distributions provided~~
35 ~~under (a) through (k) of this subsection, to be used only for highway~~
36 ~~construction;~~

37 ~~(m))~~ (k) For distribution to the small city account, hereby
38 created in the motor vehicle fund, an amount as provided for in RCW
39 46.68.095(1), 46.68.100(9), and 82.36.025(3).

1 (2) The amount accruing to the motor vehicle fund by virtue of the
2 motor vehicle fuel tax and the special fuel tax and remaining after
3 payments, distributions, and expenditures as provided in this section
4 shall, for the purposes of this chapter, be referred to as the "net tax
5 amount."

6 **Sec. 5.** RCW 47.01.280 and 1985 c 433 s 6 are each amended to read
7 as follows:

8 (1) Upon receiving an application for improvements to an existing
9 state highway or highways pursuant to RCW 43.160.074 from the community
10 economic revitalization board, the transportation commission shall, in
11 a timely manner, determine whether or not the proposed state highway
12 improvements:

13 (a) Meet the safety and design criteria of the department of
14 transportation;

15 (b) Will impair the operational integrity of the existing highway
16 system;

17 (c) Will affect any other improvements planned by the department;
18 and

19 (d) Will be consistent with its policies developed pursuant to RCW
20 47.01.071.

21 (2) Upon completion of its determination of the factors contained
22 in subsection (1) of this section and any other factors it deems
23 pertinent, the transportation commission shall forward its approval, as
24 submitted or amended or disapproval of the proposed improvements to the
25 board, along with any recommendation it may wish to make concerning the
26 desirability and feasibility of the proposed development. If the
27 transportation commission disapproves any proposed improvements, it
28 shall specify its reasons for disapproval.

29 (3) Upon notification from the board of an application's approval
30 pursuant to RCW 43.160.074, the transportation commission shall direct
31 the department of transportation to carry out the improvements in
32 coordination with the applicant.

33 (4) The transportation commission shall notify the legislative
34 transportation committee of all state highway improvements to be
35 carried out pursuant to RCW 43.160.074 and this section.

36 (5) All state highway improvements that are approved pursuant to
37 RCW 43.160.074 and this section shall be charged to the ((economic

1 ~~development account of the~~) motor vehicle fund (~~created by RCW~~
2 ~~47.10.803~~)).

3 **Sec. 6.** RCW 47.02.130 and 1990 c 293 s 2 are each amended to read
4 as follows:

5 Authorized uses of proceeds from the sale of bonds authorized in
6 RCW 47.02.120 through 47.02.190 include but are not limited to
7 repayment to the motor vehicle fund (~~for the loan from the motor~~
8 ~~vehicle fund to the transportation capital facilities account in the~~
9 ~~motor vehicle fund provided in the supplemental transportation budget~~)
10 for the initial financing of the headquarters facilities.

11 **Sec. 7.** RCW 47.02.150 and 1990 c 293 s 4 are each amended to read
12 as follows:

13 The proceeds from the sale of bonds authorized by RCW 47.02.120
14 through 47.02.190 shall be available only for the purposes enumerated
15 in RCW 47.02.120 and 47.02.130; for the payment of bond anticipation
16 notes, if any; and for the payment of bond issuance costs, including
17 the costs of underwriting. Proceeds (~~required to repay the motor~~
18 ~~vehicle fund loan~~) shall be deposited in the motor vehicle fund (~~and~~
19 ~~remaining proceeds shall be deposited in the transportation capital~~
20 ~~facilities account~~)).

21 **Sec. 8.** RCW 47.10.801 and 1994 c 173 s 1 are each amended to read
22 as follows:

23 (1) In order to provide funds necessary for the location, design,
24 right of way, and construction of selected interstate and other state
25 highway improvements, there shall be issued and sold, subject to
26 subsections (2), (3), and (4) of this section, upon the request of the
27 Washington state transportation commission a total of four hundred
28 sixty million dollars of general obligation bonds of the state of
29 Washington for the following purposes and specified sums:

30 (a) Not to exceed two hundred twenty-five million dollars to pay
31 the state's share of costs for federal-aid interstate highway
32 improvements and until December 31, 1989, to temporarily pay the
33 regular federal share of construction of federal-aid interstate highway
34 improvements to complete state routes 82, 90, 182, and 705 in advance
35 of federal-aid apportionments under the provisions of 23 U.S.C. Secs.
36 115 or 122: PROVIDED, That the total amount of bonds issued to

1 temporarily pay the regular federal share of construction of federal-
2 aid interstate highways in advance of federal-aid apportionments as
3 authorized by this section and RCW 47.10.790 shall not exceed one
4 hundred twenty million dollars: PROVIDED FURTHER, That the
5 transportation commission shall consult with the legislative
6 transportation committee prior to the adoption of plans for the
7 obligation of federal-aid apportionments received in federal fiscal
8 year 1985 and subsequent years to pay the regular federal share of
9 federal-aid interstate highway construction projects or to convert such
10 apportionments under the provisions of 23 U.S.C. Secs. 115 or 122;

11 (b) Two hundred twenty-five million dollars for major
12 transportation improvements throughout the state that are identified as
13 category C improvements and for selected major non-interstate
14 construction and reconstruction projects that are included as Category
15 A Improvements in RCW 47.05.030;

16 (c) Ten million dollars for state highway improvements necessitated
17 by planned economic development, as determined through the procedures
18 set forth in RCW 43.160.074 and 47.01.280.

19 (2) The amount of bonds authorized in subsection (1)(a) of this
20 section shall be reduced if the transportation commission, in
21 consultation with the legislative transportation committee, determines
22 that any of the bonds that have not been sold are no longer required.

23 (3) The amount of bonds authorized in subsection (1)(b) of this
24 section shall be increased by an amount not to exceed, and concurrent
25 with, any reduction of bonds authorized under subsection (1)(a) of this
26 section in the manner prescribed in subsection (2) of this section.

27 (4) The transportation commission may decrease the amount of bonds
28 authorized in subsection (1)(c) of this section and increase the amount
29 of bonds authorized in subsection (1) (a) or (b) of this section, or
30 both by an amount equal to the decrease in subsection (1)(c) of this
31 section. The transportation commission may decrease the amount of
32 bonds authorized in subsection (1)(c) of this section only if the
33 legislature appropriates (~~(a transfer of)~~) an equal amount of funds
34 from the motor vehicle fund - basic account (~~(to the economic~~
35 ~~development account under RCW 47.10.803))~~ for the purposes enumerated
36 in subsection (1)(c) of this section.

37 **Sec. 9.** RCW 47.10.803 and 1986 c 290 s 2 are each amended to read
38 as follows:

1 The proceeds from the sale of the bonds authorized by RCW
2 47.10.801(1) (~~((a) and (b))~~) shall be deposited in the motor vehicle
3 fund. (~~((The proceeds from the sale of the bonds authorized by RCW
4 47.10.801(1)(c) shall be deposited in the economic development account
5 of the motor vehicle fund, hereby created.))~~) All such proceeds shall
6 be available only for the purposes enumerated in RCW 47.10.801, for the
7 payment of bond anticipation notes, if any, and for the payment of the
8 expense incurred in the drafting, printing, issuance, and sale of such
9 bonds. The costs of obtaining insurance, letters of credit, or other
10 credit enhancement devices with respect to the bonds shall be
11 considered to be expenses incurred in the issuance and sale of the
12 bonds.

13 **Sec. 10.** RCW 47.12.125 and 1991 c 291 s 3 are each amended to read
14 as follows:

15 All moneys paid to the state of Washington under any of the
16 provisions of RCW 47.12.120 shall be deposited in the department's
17 advance right of way revolving fund, except moneys that are subject to
18 federal aid reimbursement and moneys received from rental of capital
19 facilities properties, which shall be deposited in the motor vehicle
20 fund(~~(, and except that moneys received from rental of capital
21 facilities properties shall be deposited in the transportation capital
22 facilities account as defined in chapter 47.13 RCW)~~).

23 **Sec. 11.** RCW 47.56.772 and 1993 c 4 s 4 are each amended to read
24 as follows:

25 Upon the issuance of refunding bonds as authorized by RCW
26 47.56.770, the department of transportation may liquidate the existing
27 bond fund and other funds and accounts established in the proceedings
28 which authorized the issuance of the outstanding toll bridge authority,
29 ferry, and Hood Canal bridge refunding revenue bonds and apply the
30 money contained in those funds and accounts to the defeasance and
31 redemption of outstanding toll bridge authority, ferry, and Hood Canal
32 refunding revenue bonds, except that prior to such bond redemption,
33 money sufficient to pay the first interest installment on the refunding
34 bonds shall be deposited in the ferry bond retirement fund. Money
35 remaining in such funds not used for such bond defeasance and
36 redemption or first interest installment on the refunding bonds shall
37 be transferred to and deposited in the (~~(marine operating fund under~~

1 ~~RCW 47.56.775~~) Puget Sound ferry operations account created under RCW
2 47.60.530.

3 **Sec. 12.** RCW 47.60.150 and 1990 c 42 s 405 are each amended to
4 read as follows:

5 Subject to the provisions of RCW 47.60.326, the schedule of charges
6 for the services and facilities of the system shall be fixed and
7 revised from time to time by the commission so that the tolls and other
8 revenues (~~collected together with any moneys~~) deposited in the Puget
9 Sound ferry operations account (~~transferred to the ferry system~~
10 ~~revolving account~~) for maintenance and operation, and all moneys in
11 the Puget Sound capital construction account available for debt service
12 will yield annual revenue and income sufficient, after allowance for
13 all operating, maintenance, and repair expenses to pay the interest and
14 principal and sinking fund charges for all outstanding revenue bonds,
15 and to create and maintain a fund for ordinary renewals and
16 replacements: PROVIDED, That if provision is made by any resolution
17 for the issuance of revenue bonds for the creation and maintenance of
18 a special fund for rehabilitating, rebuilding, enlarging, or improving
19 all or any part of the ferry system then such schedule of tolls and
20 rates of charges shall be fixed and revised so that the revenue and
21 income will also be sufficient to comply with such provision.

22 All income and revenues as collected shall be paid to the state
23 treasurer for the account of the department (~~as a separate trust fund~~
24 ~~and to be segregated and disbursed upon order of the department:~~
25 ~~PROVIDED, That the fund so segregated and set apart for the payment of~~
26 ~~the revenue bonds may be remitted to and held by a designated trustee~~
27 ~~in such manner and with such collateral as may be provided in the~~
28 ~~resolution authorizing the issuance of said bonds. No expenditure may~~
29 ~~be made from the revenue fund established under this section and the~~
30 ~~bond resolution without an appropriation by law~~) and deposited into
31 the Puget Sound ferry operations account. Nothing in this section
32 requires tolls on the Hood Canal bridge except as may be required by
33 any bond covenants.

34 **Sec. 13.** RCW 47.60.326 and 1990 c 42 s 406 are each amended to
35 read as follows:

36 (1) In order to maintain an adequate, fair, and economically sound
37 schedule of charges for the transportation of passengers, vehicles, and

1 commodities on the Washington state ferries, the department of
2 transportation each year shall conduct a full review of such charges.

3 (2) Prior to February 1st of each odd-numbered year the department
4 shall transmit to the transportation commission a report of its review
5 together with its recommendations for the revision of a schedule of
6 charges for the ensuing biennium. The commission on or before July 1st
7 of that year shall adopt as a rule, in the manner provided by the
8 Washington administrative procedure act, a schedule of charges for the
9 Washington state ferries for the ensuing biennium commencing July 1st.
10 The schedule may initially be adopted as an emergency rule if necessary
11 to take effect on, or as near as possible to, July 1st.

12 (3) The department in making its review and formulating
13 recommendations and the commission in adopting a schedule of charges
14 may consider any of the following factors:

15 (a) The amount of subsidy available to the ferry system for
16 maintenance and operation;

17 (b) The time and distance of ferry runs;

18 (c) The maintenance and operation costs for ferry runs with a
19 proper adjustment for higher costs of operating outmoded or less
20 efficient equipment;

21 (d) The efficient distribution of traffic between cross-sound
22 routes;

23 (e) The desirability of reasonable commutation rates for persons
24 using the ferry system to commute daily to work;

25 (f) The effect of proposed fares in increasing walk-on and
26 vehicular passenger use;

27 (g) The effect of proposed fares in promoting all types of ferry
28 use during nonpeak periods;

29 (h) Such other factors as prudent managers of a major ferry system
30 would consider.

31 (4) If at any time during the biennium it appears that projected
32 ~~((toll))~~ revenues from the ~~((ferry system, together with the transfer~~
33 ~~from the))~~ Puget Sound ferry operations account ~~((to the ferry system~~
34 ~~revolving account))~~ and any other operating subsidy available to the
35 Washington state ferries~~((_))~~ will be less than the projected total
36 cost of maintenance and operation of the Washington state ferries for
37 the biennium, the department shall forthwith undertake a review of its
38 schedule of charges to ascertain whether or not the schedule of charges
39 should be revised. The department shall, upon completion of its review

1 report, submit its recommendation to the transportation commission
2 which may in its sound discretion revise the schedule of charges as
3 required to meet necessary maintenance and operation expenditures of
4 the ferry system for the biennium or may defer action until the regular
5 annual review and revision of ferry charges as provided in subsection
6 (2) of this section.

7 (5) The provisions of RCW 47.60.330 relating to public
8 participation shall apply to the process of revising ferry tolls under
9 this section.

10 **Sec. 14.** RCW 47.60.440 and 1990 c 42 s 408 are each amended to
11 read as follows:

12 The Washington state ferry system shall be efficiently managed,
13 operated, and maintained as a revenue-producing undertaking. Subject
14 to the provisions of RCW 47.60.326 the commission shall maintain and
15 revise from time to time as necessary a schedule of tolls and charges
16 on said ferry system (~~((and, if necessary to comply with bond covenants,~~
17 ~~on the Hood Canal bridge which together))~~) with ((any)) other moneys
18 deposited in the Puget Sound ferry operations account (~~((transferred to~~
19 ~~the ferry system revolving account))~~) for maintenance and operation and
20 all moneys in the Puget Sound capital construction account available
21 for debt service will produce net revenue available for debt service,
22 in each fiscal year, in an amount at least equal to minimum annual debt
23 service requirements as hereinafter provided. Minimum annual debt
24 service requirements as used in this section shall include required
25 payments of principal and interest, sinking fund requirements, and
26 payments into reserves on all outstanding revenue bonds authorized by
27 RCW 47.60.400 through 47.60.470.

28 The provisions of law relating to the revision of tolls and charges
29 to meet minimum annual debt service requirements from net revenues as
30 required by this section shall be binding upon the commission but shall
31 not be deemed to constitute a contract to that effect for the benefit
32 of the holders of such bonds.

33 NEW SECTION. **Sec. 15.** The following acts or parts of acts are
34 each repealed:

- 35 (1) RCW 46.68.180 and 1985 c 140 s 1;
36 (2) RCW 46.68.190 and 1985 c 140 s 2;
37 (3) RCW 46.68.200 and 1985 c 140 s 3;

- 1 (4) RCW 46.68.210 and 1991 sp.s. c 13 s 104 & 1990 c 42 s 411;
2 (5) RCW 47.02.180 and 1990 c 293 s 7;
3 (6) RCW 47.13.010 and 1989 c 397 s 1;
4 (7) RCW 47.13.020 and 1995 c 271 s 1 & 1989 c 397 s 2;
5 (8) RCW 47.13.030 and 1989 c 397 s 3;
6 (9) RCW 47.13.040 and 1989 c 397 s 4;
7 (10) RCW 47.13.900 and 1989 c 397 s 6; and
8 (11) RCW 47.56.775 and 1993 c 4 s 7.

9 NEW SECTION. **Sec. 16.** This act takes effect July 1, 1999.

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