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**SUBSTITUTE SENATE BILL 5992**

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**State of Washington**

**66th Legislature**

**2019 Regular Session**

**By** Senate Transportation (originally sponsored by Senators Nguyen, Lovelett, Sheldon, Hobbs, and Randall)

READ FIRST TIME 04/05/19.

1 AN ACT Relating to state ferry funding; amending RCW 47.60.810  
2 and 47.60.315; and providing an effective date.

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

4 **Sec. 1.** RCW 47.60.810 and 2015 3rd sp.s. c 14 s 3 are each  
5 amended to read as follows:

6 (1) Except as provided in subsection (3) of this section, the  
7 department shall use a modified request for proposals process when  
8 purchasing new auto ferries, except for new 144-auto ferries  
9 purchased through an option on a contract executed before July 6,  
10 2015, whereby the prevailing shipbuilder and the department engage in  
11 a design and build partnership for the design and construction of the  
12 auto ferries. The process consists of the three phases described in  
13 subsection (~~((3))~~) (4) of this section.

14 (2) Throughout the three phases described in subsection (~~((3))~~)  
15 (4) of this section, the department shall employ an independent  
16 owner's representative to serve as a third-party intermediary between  
17 the department and the proposers, and subsequently the successful  
18 proposer. However, this representative shall serve only during the  
19 development and construction of the first vessel constructed as part  
20 of a new class of vessels developed after July 6, 2015. The  
21 independent owner's representative shall:

1 (a) Serve as the department's primary advocate and communicator  
2 with the proposers and successful proposer;

3 (b) Perform project quality oversight;

4 (c) Manage any change order requests;

5 (d) Ensure that the contract is adhered to and the department's  
6 best interests are considered in all decisions; and

7 (e) Possess knowledge of and experience with inland waterways,  
8 Puget Sound vessel operations, the propulsion system of the new  
9 vessels, and Washington state ferries operations.

10 (3) The department may modify an existing option contract  
11 executed prior to July 6, 2015, to allow for the purchase of up to  
12 five additional class 144-auto ferries, for a total of nine 144-auto  
13 ferries.

14 (4) The definitions in this subsection apply throughout RCW  
15 47.60.812 through 47.60.822.

16 (a) "Phase one" means the evaluation and selection of proposers  
17 to participate in development of technical proposals in phase two.

18 (b) "Phase two" means the preparation of technical proposals by  
19 the selected proposers in consultation with the department.

20 (c) "Phase three" means the submittal and evaluation of bids, the  
21 award of the contract to the successful proposer, and the design and  
22 construction of the auto ferries.

23 **Sec. 2.** RCW 47.60.315 and 2011 1st sp.s. c 16 s 3 are each  
24 amended to read as follows:

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

27 (a) Each year the department shall provide the commission a  
28 report of its review of fares and pricing policies, with  
29 recommendations for the revision of fares and pricing policies for  
30 the ensuing year;

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

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

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

1 (4) The chief executive officer of the ferry system may authorize  
2 the use of promotional, discounted, and special event fares to the  
3 general public and commercial enterprises for the purpose of  
4 maximizing capacity use and the revenues collected by the ferry  
5 system. The department shall report to the commission a summary of  
6 the promotional, discounted, and special event fares offered during  
7 each fiscal year and the financial results from these activities.

8 (5) Fare revenues and other revenues deposited in the Puget Sound  
9 ferry operations account created in RCW 47.60.530 may not be used to  
10 support the Puget Sound capital construction account created in RCW  
11 47.60.505, unless the support for capital is separately identified in  
12 the fare.

13 (6) The commission may not raise fares until the fare rules  
14 contain pricing policies developed under RCW 47.60.290, or September  
15 1, 2009, whichever is later.

16 (7) The commission shall impose a vessel replacement surcharge of  
17 ~~((twenty-five))~~ seventy-five cents on every one-way and round-trip  
18 ferry fare sold, including multiride and monthly pass fares. ~~((This))~~  
19 The commission shall impose an additional fifty cent vessel  
20 replacement surcharge only on one-way and round-trip full fare  
21 tickets, excluding multiride and monthly pass fares. These surcharges  
22 must be clearly indicated to ferry passengers and drivers and, if  
23 possible, on the fare media itself. Information on vessels  
24 constructed or purchased with revenue from the surcharges must be  
25 publicly posted, including, but not limited to, the commission web  
26 site.

27 NEW SECTION. **Sec. 3.** This act takes effect October 1, 2019.

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