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ENGROSSED HOUSE BILL 1016

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State of Washington

54th Legislature

1995 Regular Session

By Representatives K. Schmidt and Kremen

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1 AN ACT Relating to state and county ferries; and amending RCW  
2 82.38.030, 82.36.410, and 47.56.725.

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

4 **Sec. 1.** RCW 82.38.030 and 1989 c 193 s 3 are each amended to read  
5 as follows:

6 (1) There is hereby levied and imposed upon special fuel users a  
7 tax at the rate computed in the manner provided in RCW 82.36.025 per  
8 gallon or each one hundred cubic feet of compressed natural gas  
9 measured at standard pressure and temperature on the use of special  
10 fuel in any motor vehicle, or a ferry owned or operated by the state of  
11 Washington or one of its political subdivisions, operated upon the  
12 highways or waterways of this state during the fiscal year for which  
13 such rate is applicable.

14 (2) The tax shall be collected by the special fuel dealer and shall  
15 be paid over to the department as hereinafter provided: (a) With  
16 respect to all special fuel delivered by a special fuel dealer into  
17 supply tanks of motor vehicles or into storage facilities used for the  
18 fueling of motor vehicles at unbonded service stations in this state;  
19 or (b) in all other transactions where the purchaser is not the holder

1 of a valid special fuel license issued pursuant to this chapter  
2 allowing the purchase of untaxed special fuel, except sales of special  
3 fuel for export. To claim an exemption on account of sales by a  
4 licensed special fuel dealer for export, the purchaser shall obtain  
5 from the selling special fuel dealer, and such selling special fuel  
6 dealer must furnish the purchaser, an invoice giving such details of  
7 the sale for export as the director may require, copies of which shall  
8 be furnished the department and the entity of the state or foreign  
9 jurisdiction of destination which is charged by the laws of that state  
10 or foreign jurisdiction with the control or monitoring or both, of the  
11 sales or movement of special fuel in that state or foreign  
12 jurisdiction.

13 (3) The tax shall be paid over to the department by the special  
14 fuel user as hereinafter provided with respect to the taxable use of  
15 special fuel upon which the tax has not previously been imposed.

16 It is expressly provided that delivery of special fuel may be made  
17 without collecting the tax otherwise imposed, when such deliveries are  
18 made by a bonded special fuel dealer to special fuel users who are  
19 authorized by the department as hereinafter provided, to purchase fuel  
20 without payment of tax to the bonded special fuel dealer.

21 **Sec. 2.** RCW 82.36.410 and 1973 c 95 s 5 are each amended to read  
22 as follows:

23 All moneys collected by the director shall be transmitted forthwith  
24 to the state treasurer, together with a statement showing whence the  
25 moneys were derived, and shall be by him credited to the motor vehicle  
26 fund. All revenues from fuel purchased for marine use by the state  
27 ferry system shall be credited to the Puget Sound ferry operations  
28 account created under RCW 47.60.530. All revenues from fuel purchased  
29 for marine use by Pierce, Skagit, and Whatcom counties for county ferry  
30 operations shall be credited to the motor vehicle fund and distributed  
31 under RCW 46.68.100(3) and allocated according to RCW 47.56.725. All  
32 revenues from fuel purchased by Wahkiakum county for county ferry  
33 operations shall be directly reimbursed by the state treasurer to the  
34 Wahkiakum county treasurer.

35 **Sec. 3.** RCW 47.56.725 and 1991 c 310 s 1 are each amended to read  
36 as follows:

1 (1) The department is hereby authorized to enter into a continuing  
2 agreement with Pierce, Skagit, and Whatcom counties pursuant to which  
3 the department shall, from time to time, direct the distribution to  
4 each of the counties the amounts authorized in subsection (2) of this  
5 section in accordance with RCW 46.68.100.

6 (2) The department is authorized to include in each agreement a  
7 provision for the distribution of funds to each county to reimburse the  
8 county for fifty percent of the deficit incurred during each previous  
9 fiscal year in the operation and maintenance of the ferry system owned  
10 and operated by the county. The total amount to be reimbursed to  
11 Pierce, Skagit, and Whatcom counties collectively shall not exceed one  
12 million dollars in any biennium. Refunds of motor vehicle fuel taxes  
13 for county ferry operations shall not be considered in the amount to be  
14 reimbursed. Each county agreement shall contain a requirement that the  
15 county shall maintain tolls on its ferries at least equal to tolls in  
16 place on January 1, 1990.

17 (3) The annual fiscal year operating and maintenance deficit, if  
18 any, shall be determined by Pierce, Skagit, and Whatcom counties  
19 subject to review and approval of the department. The annual fiscal  
20 year operating and maintenance deficit is defined as the total of  
21 operations and maintenance expenditures less the sum of ferry toll  
22 revenues and that portion of fuel tax revenue distributions which are  
23 attributable to the county ferry as determined by the department.  
24 Distribution of the amounts authorized by subsection (2) of this  
25 section by the state treasurer shall be directed by the department upon  
26 the receipt of properly executed vouchers from each county.

27 (4) The county road administration board may evaluate requests by  
28 Pierce, Skagit, Wahkiakum, and Whatcom counties for county ferry  
29 capital improvement funds. The board shall evaluate the requests and,  
30 if approved by a majority of the board, submit the requests to the  
31 legislature for funding out of the amounts available under RCW  
32 46.68.100(3). Any county making a request under this subsection shall  
33 first seek funding through the public works trust fund, or any other  
34 available revenue source, where appropriate.

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