(DIGEST AS ENACTED)

Provides that a public transportation benefit area seeking grant funding as described in RCW 47.01.350 for a passenger-only ferry route between Kingston and Seattle shall first receive approval from the governor after submitting a complete business plan to the governor and the legislature by November 1, 2007.

Requires the department of transportation to make available for sale the Washington state ferries Snohomish and Chinook at market value by June 1, 2007. Proceeds from the sale must be deposited into the passenger ferry account created in RCW 47.60.645.

Requires the department to maintain the level of service existing on January 1, 2006, for the Vashon to Seattle passenger-only ferry route until such time as the route is assumed by another entity, providing a level of service at or exceeding the state level.

Provides a sales and use tax exemption if the fuel is purchased by a public transportation benefit area created under chapter 36.57A RCW or a county-owned ferry or county ferry district created under chapter 36.54 RCW for use in passenger-only ferry vessels.