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**HOUSE BILL 1318**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** Representatives Fey, Muri, Kirby, Kilduff, and Zeiger

AN ACT Relating to deficit reimbursement agreements with counties owning and operating ferry systems; and amending RCW 47.56.725.

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

**Sec.**  RCW 47.56.725 and 1999 c 269 s 12 are each amended to read as follows:

(1) The department is hereby authorized to enter into a continuing agreement with Pierce, Skagit, and Whatcom counties pursuant to which the department shall, from time to time, direct the distribution to each of the counties the amounts authorized in subsection (2) of this section in accordance with RCW 46.68.090.

(2) The department is authorized to include in each agreement a provision for the distribution of funds to each county to reimburse the county for fifty percent of the deficit incurred during each previous fiscal year in the operation and maintenance of the ferry system owned and operated by the county. The total amount to be reimbursed to Pierce, Skagit, and Whatcom counties collectively shall not exceed one million eight hundred thousand dollars in ((~~any~~)) the 2015-2017 biennium. For subsequent biennia, the amount authorized in this section must increase by the fiscal growth factor as defined in RCW 43.135.025. Each county agreement shall contain a requirement that the county shall maintain tolls on its ferries at least equal to tolls in place on January 1, ((~~1990~~)) 2015.

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

(4) The county road administration board may evaluate requests by Pierce, Skagit, Wahkiakum, and Whatcom counties for county ferry capital improvement funds. The board shall evaluate the requests and, if approved by a majority of the board, submit the requests to the legislature for funding out of the amounts available under RCW 46.68.090((~~(1)(j)~~)) (2)(h). Any county making a request under this subsection shall first seek funding through the public works trust fund, or any other available revenue source, where appropriate.

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