Provides that, by January 31, 2007, and by January 31st of each year thereafter, the department shall certify to the state treasurer the total number of vehicles that have boarded Washington state ferries for each state ferry route for the prior calendar year. The state treasurer shall distribute an amount equal to twenty-five cents multiplied by the total number of vehicles loading and unloading from a state ferry for each ferry route to the city in which each ferry terminal facility is located, or to the county if the facility is located in an unincorporated area.

Provides that a city or county receiving a distribution under this section must use the money to defray capital or operating costs associated with state ferry traffic impacts on the community where the ferry terminal facility is located. The maximum amount a city or county can receive under this act is five hundred thousand dollars per Washington state ferry route.