

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 2746

60th Legislature
2008 Regular Session

Passed by the House March 8, 2008
Yeas 93 Nays 0

Speaker of the House of Representatives

Passed by the Senate March 6, 2008
Yeas 45 Nays 3

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2746** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 2746

AS AMENDED BY THE SENATE

Passed Legislature - 2008 Regular Session

State of Washington 60th Legislature 2008 Regular Session

By House Transportation (originally sponsored by Representatives Jarrett, Morris, and McIntire)

READ FIRST TIME 02/06/08.

1 AN ACT Relating to the purchasing of fuel; adding new sections to
2 chapter 35.58 RCW; adding a new section to chapter 47.60 RCW; and
3 creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds and declares that
6 units of state and local government purchasing large amounts of fuel in
7 the regular course of performing their function should have substantial
8 flexibility in acquiring fuel to obtain predictability and control of
9 fuel costs, and to maximize the use of renewable fuels. The
10 legislature hereby declares its intent to allow certain units of
11 government that regularly purchase large amounts of fuel to explore and
12 implement strategies that are designed to reduce the overall cost of
13 fuel and mitigate the impact of market fluctuations and pressure on
14 both short-term and long-term fuel costs.

15 NEW SECTION. **Sec. 2.** A new section is added to chapter 35.58 RCW
16 to read as follows:

17 (1) In performing the metropolitan transportation function,
18 metropolitan municipal corporations and counties that have assumed the

1 rights, powers, functions, and obligations of metropolitan municipal
2 corporations under chapter 36.56 RCW may explore and implement
3 strategies designed to reduce the overall cost of fuel and mitigate the
4 impact of market fluctuations and pressure on both short-term and long-
5 term fuel costs. These strategies may include, but are not limited to,
6 futures contracts, hedging, swap transactions, option contracts,
7 costless collars, and long-term storage.

8 (2) Metropolitan municipal corporations and counties that have
9 assumed the rights, powers, functions, and obligations of metropolitan
10 municipal corporations under chapter 36.56 RCW that choose to implement
11 the strategies authorized in this section must submit periodic reports
12 to the transportation committees of the legislature on the status of
13 any such implemented strategies. Each report must include a
14 description of each contract established to mitigate fuel costs, the
15 amounts of fuel covered by the contracts, the cost mitigation results,
16 and any related recommendations. The first report must be submitted
17 within one year of implementation.

18 NEW SECTION. **Sec. 3.** A new section is added to chapter 35.58 RCW
19 to read as follows:

20 If metropolitan municipal corporations and counties that have
21 assumed the rights, powers, functions, and obligations of metropolitan
22 municipal corporations under chapter 36.56 RCW choose to implement the
23 strategies authorized in section 2 of this act, the state is not liable
24 for any financial losses that may be incurred as the result of
25 participating in such strategies.

26 NEW SECTION. **Sec. 4.** A new section is added to chapter 47.60 RCW
27 to read as follows:

28 In performing the function of operating its ferry system, the
29 department may, subject to the availability of amounts appropriated for
30 this specific purpose and after consultation with the department of
31 general administration's office of state procurement, explore and
32 implement strategies designed to reduce the overall cost of fuel and
33 mitigate the impact of market fluctuations and pressure on both short-
34 term and long-term fuel costs. These strategies may include, but are
35 not limited to, futures contracts, hedging, swap transactions, option
36 contracts, costless collars, and long-term storage. The department

1 shall periodically submit a report to the transportation committees of
2 the legislature and the office of state procurement on the status of
3 any such implemented strategies, including cost mitigation results, a
4 description of each contract established to mitigate fuel costs, the
5 amounts of fuel covered by the contracts, the cost mitigation results,
6 and any related recommendations. The first report must be submitted
7 within one year of implementation.

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