

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 2746**

Chapter 126, Laws of 2008

60th Legislature  
2008 Regular Session

FUEL PURCHASING--STATE AND LOCAL AGENCIES

EFFECTIVE DATE: 06/12/08

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

FRANK CHOPP

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**Speaker of the House of Representatives**

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

BRAD OWEN

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**President of the Senate**

Approved March 25, 2008, 11:13 a.m.

CHRISTINE GREGOIRE

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**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.

BARBARA BAKER

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**Chief Clerk**

FILED

March 25, 2008

**Secretary of State  
State of Washington**

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**SUBSTITUTE HOUSE BILL 2746**

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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.

Passed by the House March 8, 2008.

Passed by the Senate March 6, 2008.

Approved by the Governor March 25, 2008.

Filed in Office of Secretary of State March 25, 2008.