

---

## Transportation Committee

---

### HB 1833

**Brief Description:** Setting ferry fuel surcharges.

**Sponsors:** Representatives Paul, Hutchins and Ramel.

#### Brief Summary of Bill

- Authorizes the Washington State Transportation Commission (Commission) to evaluate the need for a ferry fuel surcharge following the enactment of the Omnibus Transportation Appropriations Act.
- Authorizes the Commission to impose a ferry fuel surcharge only when directed by the Legislature or if appropriations for the operating costs of the ferry system do not fully fund the cost of ferry fuel, as estimated based on the most current forecasts.
- Directs the Commission to reevaluate the need for an imposed surcharge on at least a quarterly basis and to revoke the surcharge if it is determined that the surcharge is no longer needed.

**Hearing Date:** 2/20/23

**Staff:** Beth Redfield (786-7140).

#### Background:

The Washington State Transportation Commission (Commission) sets ferry fares and pricing policies for the Washington State Ferries. By September 1 of each year, the Commission adopts by rule fares and pricing policies for the ensuing year. Rules of the Commission are subject to the processes and procedures required under the Administration Procedures Act. The Commission is also directed to specifically set a capital vessel replacement surcharge for the construction or purchase of ferry vessels and to pay the principal and interest on bonds

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

authorized for the construction or purchase of ferry vessels.

In the 2010 Supplemental Transportation Budget, the Legislature authorized the Commission to impose a ferry fuel surcharge effective July 1, 2011, and to conduct all of the public procedures and processes required when setting ferry fares by rule. The Commission adopted rules to guide the setting of a ferry fuel surcharge effective in 2011. No ferry fuel surcharge has been implemented.

In the budget process, the Governor and Legislature consider the cost of ferry fuel for the operation of ferry service in proposing and setting appropriation levels for the Washington State Department of Transportation. The information provided for the calculation of the budget for ferry system fuel includes forecasted consumption of gallons of ferry fuel, forecasted biodiesel prices, actual gallons of ferry fuel purchased and average price paid, and actual gallons of ferry fuel purchased and prices paid under hedge contracts.

**Summary of Bill:**

On an annual basis, following the enactment of the Omnibus Transportation Appropriations Act (transportation budget), the Commission is authorized to evaluate the need for a ferry fuel surcharge.

The Commission may impose a fuel surcharge only when:

- directed by the Legislature in the transportation budget; or
- the legislative appropriations for the operating costs of the ferry system do not fully fund the cost of ferry fuel, as estimated based on the most current forecasts, at the time of enactment of the transportation budget, of ferry fuel prices and gallons of ferry fuel that will be consumed to provide ferry service.

If a ferry fuel surcharge is imposed, the Commission must reevaluate the need for the surcharge on at least a quarterly basis to determine if the surcharge is still needed to cover increased ferry fuel costs and revoke the surcharge if the determination is that the surcharge is no longer needed.

**Appropriation:** None.

**Fiscal Note:** Requested on February 17, 2023.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.