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**SUBSTITUTE HOUSE BILL 1833**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** House Transportation (originally sponsored by Representatives Paul, Hutchins, and Ramel)

READ FIRST TIME 02/24/23.

1 AN ACT Relating to setting ferry fuel surcharges; amending RCW  
2 47.60.315; and declaring an emergency.

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

4 **Sec. 1.** RCW 47.60.315 and 2021 c 333 s 716 are each amended to  
5 read as follows:

6 (1) The commission shall adopt fares and pricing policies by  
7 rule, under chapter 34.05 RCW, according to the following schedule:

8 (a) Each year the department shall provide the commission a  
9 report of its review of fares and pricing policies, with  
10 recommendations for the revision of fares and pricing policies for  
11 the ensuing year;

12 (b) By September 1st of each year, beginning in 2008, the  
13 commission shall adopt by rule fares and pricing policies for the  
14 ensuing year.

15 (2) The commission may adopt by rule fares that are effective for  
16 more or less than one year for the purposes of transitioning to the  
17 fare schedule in subsection (1) of this section.

18 (3) The commission may increase ferry fares included in the  
19 schedule of charges adopted under this section by a percentage that  
20 exceeds the fiscal growth factor.

1 (4) The chief executive officer of the ferry system may authorize  
2 the use of promotional, discounted, and special event fares to the  
3 general public and commercial enterprises for the purpose of  
4 maximizing capacity use and the revenues collected by the ferry  
5 system. The department shall report to the commission a summary of  
6 the promotional, discounted, and special event fares offered during  
7 each fiscal year and the financial results from these activities.

8 (5) Fare revenues and other revenues deposited in the Puget Sound  
9 ferry operations account created in RCW 47.60.530 may not be used to  
10 support the Puget Sound capital construction account created in RCW  
11 47.60.505, unless the support for capital is separately identified in  
12 the fare or except as provided in section 715, chapter 333, Laws of  
13 2021 during the 2021-2023 biennium.

14 (6) The commission may not raise fares until the fare rules  
15 contain pricing policies developed under RCW 47.60.290, or September  
16 1, 2009, whichever is later.

17 (7) The commission shall impose a vessel replacement surcharge of  
18 (~~(twenty-five)~~) 25 cents on every one-way and round-trip ferry fare  
19 sold, including multiride and monthly pass fares. This surcharge must  
20 be clearly indicated to ferry passengers and drivers and, if  
21 possible, on the fare media itself.

22 (8) Except as provided in subsection (10) of this section,  
23 beginning May 1, 2020, the commission shall impose an additional  
24 vessel replacement surcharge in an amount sufficient to fund  
25 (~~(twenty-five)~~) 25 year debt service on one 144-auto hybrid vessel  
26 taking into account funds provided in chapter 417, Laws of 2019 or  
27 chapter . . . (SSB 5419), Laws of 2019. The department of  
28 transportation shall provide to the commission vessel and debt  
29 service cost estimates. Information on vessels constructed or  
30 purchased with revenue from the surcharges must be publicly posted  
31 including, but not limited to, the commission website.

32 (9) The vessel replacement surcharges imposed in this section may  
33 only be used for the construction or purchase of ferry vessels and to  
34 pay the principal and interest on bonds authorized for the  
35 construction or purchase of new ferry vessels.

36 (10) The commission shall not impose the additional vessel  
37 replacement surcharge in subsection (8) of this section if doing so  
38 would increase fares by more than (~~(ten)~~) 10 percent.

39 (11) (a) During the annual legislative appropriations  
40 deliberations, the legislature reviews and approves funding for the

1 cost of ferry fuel, as estimated based on the most current forecasts  
2 of fuel prices and gallons of fuel that will be consumed to provide  
3 ferry service. The commission may impose a fuel surcharge only when  
4 directed by the legislature in the omnibus transportation  
5 appropriations act.

6 (b) If a fuel surcharge is imposed, as authorized under this  
7 subsection, the commission must reevaluate the need for the surcharge  
8 on at least a quarterly basis to determine if the surcharge is still  
9 needed to cover increased fuel costs and revoke the surcharge if the  
10 determination is that the surcharge is no longer needed for this  
11 purpose.

12 NEW SECTION. Sec. 2. This act is necessary for the immediate  
13 preservation of the public peace, health, or safety, or support of  
14 the state government and its existing public institutions, and takes  
15 effect immediately.

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