8

9

10

11

12

13

14

15

16

17

18

19

20

21

## HOUSE BILL 1923

State of Washington 69th Legislature 2025 Regular Session

By Representatives Nance, Berry, Fitzgibbon, Simmons, Richards, Thomas, Scott, Parshley, Pollet, Shavers, and Davis

Read first time 02/10/25. Referred to Committee on Transportation.

AN ACT Relating to increasing the availability of passenger-only ferries by establishing the mosquito fleet act; amending RCW 36.57A.222; reenacting and amending RCW 43.84.092 and 43.84.092; adding a new chapter to Title 36 RCW; creating new sections; providing effective dates; providing an expiration date; and declaring an emergency.

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

NEW SECTION. 1. Passenger-only ferry service is the Sec. fastest way to get boats on the water and build the capacity respond Washington state ferries' necessary to to disruptions, which will alleviate the negative impacts that those disruptions and cancellations have on the people of Washington state. Increased passenger-only ferry service will also ensure reliable access to health care, education, and work for communities that are dependent on ferry service.

Bolstering passenger-only ferry capacity ahead of the FIFA world cup will help to ensure its success and bridge the gap in ferry capacity before the next Washington state ferries procurement cycle puts boats in the water. This will help tourism-dependent small businesses across the state, while honoring our state's commitment to environmental progress and helping Washingtonians travel and connect

p. 1 HB 1923

without driving. Increased passenger-only ferry service will also support workforce development, by creating a workforce pipeline of hard-working mariners who can upgrade their licenses to take on larger vessels, including Washington state ferries and private sector opportunities.

6

7

8

9

35

36

37

38

The legislature, therefore, finds that additional passenger-only ferry service is necessary in order to improve the lives of all Washingtonians, while also honoring Washington's maritime heritage and the original mosquito fleet that helped build the Washington we love.

- 11 **Sec. 2.** RCW 36.57A.222 and 2015 3rd sp.s. c 44 s 313 are each 12 amended to read as follows:
- 13 (1) A governing body of a county under Title 36 RCW, a port district under Title 53 RCW, a public transportation benefit area ((7 14 15 located in a county that only borders the western side of Puget Sound with a population of more than two hundred thousand and contains one 16 or more Washington state ferries terminals)) under chapter 36.57A 17 RCW, a city transit system under RCW 35.58.2721, a county 18 transportation authority under chapter 36.57 RCW, a metropolitan 19 20 municipal corporation transit system under chapter 36.56 RCW, an 21 unincorporated transportation benefit area under RCW 36.57.100, or a 22 regional transit authority under chapter 81.112 RCW, that borders or contains a navigable body of water, may establish one or more 23 24 passenger-only ferry service districts within all or a portion of the 25 boundaries of the ((public transportation benefit area)) entity establishing the passenger-only ferry service district. A passenger-26 27 only ferry service district may include all or a portion of a city or 28 town as long as all or a portion of the city or town boundaries are within the boundaries of the establishing ((public transportation 29 30 benefit area)) entity. The members of the ((public transportation 31 benefit area)) governing body of the entity proposing to establish 32 the passenger-only ferry service district, acting ex officio and independently, constitutes the governing body of the passenger-only 33 ferry service district. 34
  - (2) A passenger-only ferry service district may establish, finance, and provide passenger-only ferry service, and associated services to support and augment passenger-only ferry service operation, within its boundaries in the same manner as authorized for

p. 2 HB 1923

((public transportation benefit areas under this chapter)) the entity establishing the district.

1

2

3

4

5

7

8

9

10 11

12

13

1415

16

17

18

19

20

21

2223

2425

26

2728

29

3031

32

33

34

35

36

37

3839

40

- (3) A passenger-only ferry service district constitutes a body corporate and possesses all the usual powers of a corporation for public purposes as well as all other powers that may be conferred by statute including, but not limited to, the authority to hire employees, staff, and services, to enter into contracts, to acquire, hold, and dispose of real and personal property, and to sue and be sued. Public works contract limits applicable to the ((public transportation benefit area)) entity that established the passengeronly ferry service district apply to the district. For purposes of this section, "passenger-only ferry service district" means a quasimunicipal corporation and independent taxing authority within the meaning of Article VII, section 1 of the state Constitution, and a taxing district within the meaning of Article VII, section 2 of the state Constitution, created by the ((legislative)) governing body of a county under Title 36 RCW, a port district under Title 53 RCW, a public transportation benefit area under chapter 36.57A RCW, a city transit system under RCW 35.58.2721, a county transportation authority under chapter 36.57 RCW, a metropolitan municipal corporation transit system under chapter 36.56 RCW, an unincorporated transportation benefit area under RCW 36.57.100, or a regional transit authority under chapter 81.112 RCW.
- (4) Before a passenger-only ferry service district may provide passenger-only ferry service, it must develop a passenger-only ferry investment plan, including elements: To operate or contract for the operation of passenger-only ferry services; to purchase, lease, or rent ferry vessels and dock facilities for the provision of transit service; and to identify other activities necessary to implement the plan. The plan must set forth terminal locations to be served, projected costs of providing services, and revenues to be generated from tolls, locally collected tax revenues, and other revenue sources. The plan must ensure that services provided under the plan are for the benefit of the residents of the passenger-only ferry service district. The passenger-only ferry service district may use any of its powers to carry out this purpose, unless otherwise prohibited by law. In addition, the passenger-only ferry service may enter into: Contracts and agreements to passenger-only ferry service; public-private partnerships; design-build, general contractor/construction management, or other

p. 3 HB 1923

- 1 alternative procurement processes substantially consistent with 2 chapter 39.10 RCW.
- 3 (5) A passenger-only ferry service district may be dissolved by a 4 majority vote of the governing body when all obligations under any 5 general obligation bonds issued by the passenger-only ferry service 6 district have been discharged and any other contractual obligations 7 of the passenger-only ferry service district have either been 8 discharged or assumed by another governmental entity.
- 9 <u>NEW SECTION.</u> **Sec. 3.** The local passenger-only ferry account is created in the state treasury. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for (1) the grants provided under section 4 of this act, and (2) those expenses of the county road administration board associated with the administration of the local passenger-only ferry grant program.
- 16 <u>NEW SECTION.</u> **Sec. 4.** The county road administration board shall:
- 18 (1) Establish a local passenger-only ferry grant program. The 19 purpose of the grant program is to provide passenger-only ferry 20 service districts created pursuant to RCW 36.57A.222 with grants for:
- 21 (a) The purchase of used passenger-only ferry vessels and the 22 construction, rehabilitation, or improvement of associated docking 23 facilities;
- 24 (b) The operation and maintenance of passenger-only ferry 25 vessels; and
- 26 (c) Feasibility studies regarding potential passenger-only ferry service routes;
- 28 (2) Adopt rules necessary to implement the provisions of this 29 chapter relating to the allocation of funds in the passenger-only 30 ferry account; and
- 31 (3) Include a program status report in the county road 32 administration board's annual report to the appropriate committees of 33 the legislature as provided in RCW 36.78.070.
- 34 **Sec. 5.** RCW 43.84.092 and 2024 c 210 s 4 and 2024 c 168 s 12 are 35 each reenacted and amended to read as follows:

p. 4 HB 1923

(1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

1

2

4

5

7

8

9

1112

13

1415

16

17

18 19

2021

2223

2425

26

27

28

2930

31

32

33

34

35

36

37

3839

40

- The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.
  - (3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.
- (4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:
- (a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The abandoned recreational vehicle disposal account, the aeronautics account, the Alaskan Way viaduct replacement project account, the ambulance transport fund, the budget stabilization account, the capital vessel replacement account, the capital building construction account, the Central Washington University capital projects account, the charitable,

p. 5 HB 1923

1 educational, penal and reformatory institutions account, the Chehalis basin account, the Chehalis basin taxable account, the clean fuels 2 credit account, the clean fuels transportation investment account, 3 the cleanup settlement account, the climate active transportation 4 account, the climate transit programs account, the Columbia river 5 6 basin water supply development account, the Columbia river basin 7 taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the common school 8 construction fund, the community forest trust account, the connecting 9 Washington account, the county arterial preservation account, the 10 11 county criminal justice assistance account, the 12 homeownership account, the deferred compensation administrative account, the deferred compensation principal account, the department 13 of licensing services account, the department of retirement systems 14 expense account, the developmental disabilities community services 15 16 account, the diesel idle reduction account, the opioid abatement 17 settlement account, the drinking water assistance account, the administrative subaccount of the drinking water assistance account, 18 the early learning facilities development account, the early learning 19 facilities revolving account, the Eastern Washington University 20 21 capital projects account, the education construction fund, the education legacy trust account, the election account, the electric 22 23 vehicle account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State 24 25 College capital projects account, the fair start for kids account, 26 the family medicine workforce development account, the ferry bond retirement fund, the fish, wildlife, and conservation account, the 27 28 freight mobility investment account, the freight mobility multimodal 29 account, the grade crossing protective fund, the higher education retirement plan supplemental benefit fund, the Washington student 30 31 account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the hospital safety 32 33 net assessment fund, the Interstate 5 bridge replacement project account, the Interstate 405 and state route number 167 express toll 34 lanes account, the judges' retirement account, the judicial 35 retirement administrative account, the judicial retirement principal 36 account, the limited fish and wildlife account, the local leasehold 37 excise tax account, the local passenger-only ferry account, the local 38 39 real estate excise tax account, the local sales and use tax account, 40 the marine resources stewardship trust account, the medical aid

p. 6 HB 1923

account, the money-purchase retirement savings administrative 1 account, the money-purchase retirement savings principal account, the 2 motor vehicle fund, the motorcycle safety education account, the move 3 ahead WA account, the move ahead WA flexible account, the multimodal 4 transportation account, the multiuse roadway safety account, the 5 municipal criminal justice assistance account, the oyster reserve 6 7 land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the pilotage account, 8 the pollution liability insurance agency underground storage tank 9 revolving account, the public employees' retirement system plan 1 10 11 account, the public employees' retirement system combined plan 2 and 12 plan 3 account, the public facilities construction loan revolving account, the public health supplemental account, the public works 13 14 assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puget Sound Gateway 15 16 facility account, the Puget Sound taxpayer accountability account, 17 real estate appraiser commission account, the recreational 18 vehicle account, the regional mobility grant program account, the 19 reserve officers' relief and pension principal fund, the resource 20 management cost account, the rural arterial trust account, the rural 21 mobility grant program account, the rural Washington loan fund, the 22 second injury fund, the sexual assault prevention and response account, the site closure account, the skilled nursing facility 23 safety net trust fund, the small city pavement and sidewalk account, 24 25 the special category C account, the special wildlife account, the 26 state hazard mitigation revolving loan account, the state investment board expense account, the state investment board commingled trust 27 fund accounts, the state patrol highway account, the 28 29 reclamation revolving account, the state route number 520 civil penalties account, the state route number 520 corridor account, the 30 31 statewide broadband account, the statewide tourism marketing account, 32 the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the 33 teachers' retirement system combined plan 2 and plan 3 account, the 34 tobacco prevention and control account, the tobacco settlement 35 account, the toll facility bond retirement account, 36 transportation 2003 account (nickel account), the transportation 37 equipment fund, the JUDY transportation future funding program 38 39 account, the transportation improvement account, the transportation 40 improvement board bond retirement account, the transportation

p. 7 HB 1923

1 infrastructure account, the transportation partnership account, the traumatic brain injury account, the tribal opioid prevention and 2 treatment account, the University of Washington bond retirement fund, 3 the University of Washington building account, the voluntary cleanup 4 account, the volunteer firefighters' relief and pension principal 5 6 fund, the volunteer firefighters' and reserve officers' administrative fund, the vulnerable roadway user education account, 7 the Washington judicial retirement system account, the Washington law 8 enforcement officers' and firefighters' system plan 1 retirement 9 account, the Washington law enforcement officers' and firefighters' 10 system plan 2 retirement account, the Washington public safety 11 12 employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the 13 Washington state patrol retirement account, the Washington State 14 University building account, the Washington State University bond 15 retirement fund, the water pollution control revolving administration 16 17 account, the water pollution control revolving fund, the Western 18 Washington University capital projects account, the Yakima integrated 19 implementation account, the Yakima integrated plan implementation revenue recovery account, and the Yakima integrated 20 plan implementation taxable bond account. Earnings derived from 21 22 investing balances of the agricultural permanent fund, the normal 23 school permanent fund, the permanent common school fund, scientific permanent fund, and the state university permanent fund 24 25 shall be allocated to their respective beneficiary accounts.

(b) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the state treasury that deposits funds into a fund or account in the state treasury pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

26

2728

29

30 31

3738

39

- 32 (5) In conformance with Article II, section 37 of the state 33 Constitution, no treasury accounts or funds shall be allocated 34 earnings without the specific affirmative directive of this section.
- 35 **Sec. 6.** RCW 43.84.092 and 2024 c 210 s 5 and 2024 c 168 s 13 are each reenacted and amended to read as follows:
  - (1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

p. 8 HB 1923

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

- (3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.
- (4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:
- (a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The abandoned recreational vehicle disposal account, the aeronautics account, the Alaskan Way viaduct replacement project account, the budget stabilization account, the capital vessel replacement account, the capital building construction account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the Chehalis basin account, the Chehalis basin taxable account, the clean fuels credit account, the clean fuels transportation investment account, the cleanup settlement account,

p. 9 HB 1923

1 the climate active transportation account, the climate transit programs account, the Columbia river basin water supply development 2 3 account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue 4 recovery account, the common school construction fund, the community 5 6 forest trust account, the connecting Washington account, the county arterial preservation account, the county criminal justice assistance 7 covenant homeownership account, the deferred 8 account, the compensation administrative account, the deferred compensation 9 principal account, the department of licensing services account, the 10 11 department of retirement systems expense account, the developmental 12 disabilities community services account, the diesel idle reduction account, the opioid abatement settlement account, the drinking water 13 assistance account, the administrative subaccount of the drinking 14 water assistance account, the early learning facilities development 15 16 account, the early learning facilities revolving account, the Eastern 17 Washington University capital projects account, the education 18 construction fund, the education legacy trust account, the election account, the electric vehicle account, the energy freedom account, 19 the energy recovery act account, the essential rail assistance 20 21 account, The Evergreen State College capital projects account, the 22 fair start for kids account, the family medicine workforce 23 development account, the ferry bond retirement fund, the fish, wildlife, and conservation account, the freight mobility investment 24 25 account, the freight mobility multimodal account, the grade crossing protective fund, the higher education retirement plan supplemental 26 benefit fund, the Washington student loan account, the highway bond 27 28 retirement fund, the highway infrastructure account, the highway 29 safety fund, the hospital safety net assessment fund, the Interstate 5 bridge replacement project account, the Interstate 405 and state 30 31 route number 167 express toll lanes account, the judges' retirement 32 account, the judicial retirement administrative account, the judicial retirement principal account, the limited fish and wildlife account, 33 the local leasehold excise tax account, the local passenger-only 34 ferry account, the local real estate excise tax account, the local 35 sales and use tax account, the marine resources stewardship trust 36 account, the medical aid account, the money-purchase retirement 37 savings administrative account, the money-purchase retirement savings 38 39 principal account, the motor vehicle fund, the motorcycle safety 40 education account, the move ahead WA account, the move ahead WA

p. 10 HB 1923

1 flexible account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance 2 3 account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance 4 account, the pilotage account, the pollution liability insurance 5 6 agency underground storage tank revolving account, the public employees' retirement system plan 1 account, the public employees' 7 retirement system combined plan 2 and plan 3 account, the public 8 facilities construction loan revolving account, the public health 9 supplemental account, the public works assistance account, the Puget 10 11 Sound capital construction account, the Puget Sound ferry operations 12 account, the Puget Sound Gateway facility account, the Puget Sound taxpayer accountability account, the real estate appraiser commission 13 account, the recreational vehicle account, the regional mobility 14 grant program account, the reserve officers' relief and pension 15 16 principal fund, the resource management cost account, the rural 17 arterial trust account, the rural mobility grant program account, the 18 rural Washington loan fund, the second injury fund, the sexual 19 assault prevention and response account, the site closure account, the skilled nursing facility safety net trust fund, the small city 20 pavement and sidewalk account, the special category C account, the 21 22 special wildlife account, the state hazard mitigation revolving loan 23 account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol 24 25 highway account, the state reclamation revolving account, the state route number 520 civil penalties account, the state route number 520 26 corridor account, the statewide broadband account, the statewide 27 28 tourism marketing account, the supplemental pension account, the 29 Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and 30 31 plan 3 account, the tobacco prevention and control account, the 32 tobacco settlement account, the toll facility bond retirement account, the transportation 2003 account (nickel account), 33 transportation equipment fund, the JUDY transportation future funding 34 35 program account, the transportation improvement account, the 36 transportation improvement board bond retirement account, transportation infrastructure account, the transportation partnership 37 account, the traumatic brain injury account, the tribal opioid 38 39 prevention and treatment account, the University of Washington bond 40 retirement fund, the University of Washington building account, the

p. 11 HB 1923

1 voluntary cleanup account, the volunteer firefighters' relief and pension principal fund, the volunteer firefighters' and reserve 2 3 officers' administrative fund, the vulnerable roadway user education account, the Washington judicial retirement system account, the 4 Washington law enforcement officers' and firefighters' system plan 1 5 6 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public 7 safety employees' plan 2 retirement account, the Washington school 8 employees' retirement system combined plan 2 and 3 account, the 9 Washington state patrol retirement account, the Washington State 10 11 University building account, the Washington State University bond 12 retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, the Western 13 14 Washington University capital projects account, the Yakima integrated implementation account, the Yakima 15 integrated 16 implementation revenue recovery account, and the Yakima integrated 17 plan implementation taxable bond account. Earnings derived from investing balances of the agricultural permanent fund, the normal 18 19 school permanent fund, the permanent common school fund, the scientific permanent fund, and the state university permanent fund 20 21 shall be allocated to their respective beneficiary accounts.

(b) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the state treasury that deposits funds into a fund or account in the state treasury pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

22

23

2425

26

27

- 28 (5) In conformance with Article II, section 37 of the state 29 Constitution, no treasury accounts or funds shall be allocated 30 earnings without the specific affirmative directive of this section.
- NEW SECTION. Sec. 7. Sections 3 and 4 of this act constitute a new chapter in Title 36 RCW.
- 33 <u>NEW SECTION.</u> **Sec. 8.** This act may be known and cited as the 34 mosquito fleet act.
- 35 <u>NEW SECTION.</u> **Sec. 9.** Section 5 of this act expires July 1, 36 2028.

p. 12 HB 1923

- NEW SECTION. Sec. 10. Section 6 of this act takes effect July 2 1, 2028.
- NEW SECTION. Sec. 11. Sections 1 through 5 and 7 through 9 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and take effect July 1, 2025.

--- END ---

p. 13 HB 1923