

2SHB 1923 - S COMM AMD

By Committee on Transportation

Strike everything after the enacting clause and insert the following:

"Sec. 1. RCW 36.57A.222 and 2015 3rd sp.s. c 44 s 313 are each amended to read as follows:

(1) A governing body of a county under Title 36 RCW, a port district under Title 53 RCW, a public transportation benefit area~~((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 or more Washington state ferries terminals))~~ under chapter 36.57A RCW, a city transit system under RCW 35.92.060, a county transportation authority under chapter 36.57 RCW, a metropolitan municipal corporation transit system under chapter 36.56 RCW, or an unincorporated transportation benefit area under RCW 36.57.100, that borders the Puget Sound, may establish one ~~((or more))~~ passenger-only ferry service ~~((districts))~~ district within all or a portion of the boundaries of the ~~((public transportation benefit area))~~ entity establishing the passenger-only ferry service district. However, passenger-only ferry service district boundaries may not overlap and shall be mutually exclusive. A passenger-only ferry service district may include all or a portion of a city or town as long as all or a portion of the city or town boundaries are within the boundaries of the establishing ~~((public transportation benefit area))~~ entity. The members of the ~~((public transportation benefit area))~~ governing body of the entity proposing to establish the passenger-only ferry service district, acting ex officio and independently, constitutes the governing body of the passenger-only ferry service district. Additionally, the governing body of a district must include the following voting members:

(a) One member recommended by a labor organization, or organizations, representing the public transportation employees of

1 the entity establishing the district, but only if the employees are
2 so represented; and

3 (b) One transit-using member appointed by the elected official
4 voting members; however, the transit-using member may not be an
5 employee of the transit agency establishing the district.

6 (2) A passenger-only ferry service district may establish,
7 finance, and provide passenger-only ferry service, and associated
8 services to support and augment passenger-only ferry service
9 operation, within its boundaries in the same manner as authorized for
10 ~~((public transportation benefit areas under this chapter))~~ the entity
11 establishing the district.

12 (3) A passenger-only ferry service district constitutes a body
13 corporate and possesses all the usual powers of a corporation for
14 public purposes as well as all other powers that may be conferred by
15 statute including, but not limited to, the authority to hire
16 employees, staff, and services, to enter into contracts, to acquire,
17 hold, and dispose of real and personal property, and to sue and be
18 sued. Public works contract limits applicable to the ~~((public~~
19 ~~transportation benefit area))~~ entity that established the passenger-
20 only ferry service district apply to the district. For purposes of
21 this section, "passenger-only ferry service district" means a quasi-
22 municipal corporation and independent taxing authority within the
23 meaning of Article VII, section 1 of the state Constitution, and a
24 taxing district within the meaning of Article VII, section 2 of the
25 state Constitution, created by the ~~((legislative))~~ governing body of
26 a county under Title 36 RCW, a port district under Title 53 RCW, a
27 public transportation benefit area under chapter 36.57A RCW, a city
28 transit system under RCW 35.58.2721, a county transportation
29 authority under chapter 36.57 RCW, a metropolitan municipal
30 corporation transit system under chapter 36.56 RCW, or an
31 unincorporated transportation benefit area under RCW 36.57.100.

32 (4) (a) Before a passenger-only ferry service district may provide
33 passenger-only ferry service, it must develop a passenger-only ferry
34 investment plan, including elements: To operate or contract for the
35 operation of passenger-only ferry services; to purchase, lease, or
36 rent ferry vessels and dock facilities for the provision of transit
37 service; to disclose the per passenger subsidy needed to provide
38 passenger-only ferry service; and to identify other activities
39 necessary to implement the plan. The plan must set forth terminal
40 locations to be served, projected costs of providing services, and

1 revenues to be generated from tolls, locally collected tax revenues,
2 and other revenue sources. The plan must ensure that services
3 provided under the plan are for the benefit of the residents of the
4 passenger-only ferry service district.

5 (b) For districts established under this section after December
6 31, 2027, the plan must be submitted to all local governments and
7 taxing districts impacted by the plan, as well as to an independent
8 consultant, no less than 90 days prior to submitting the plan to
9 district voters. The district must then consider any comments that
10 may be provided by the recipients of the plan prior to submitting the
11 plan to district voters.

12 (c) The passenger-only ferry service district may use any of its
13 powers to carry out this purpose, unless otherwise prohibited by law.
14 In addition, the passenger-only ferry service district may enter
15 into: Contracts and agreements to operate passenger-only ferry
16 service; public-private partnerships; and design-build, general
17 contractor/construction management, or other alternative procurement
18 processes substantially consistent with chapter 39.10 RCW.

19 (5) Vessels constructed for use by a district established under
20 this section after December 31, 2027, must be:

21 (a) Constructed under the terms and conditions of a project labor
22 agreement;

23 (b) Constructed in Washington state;

24 (c) Zero-emissions vessels; and

25 (d) Operated in compliance with the quiet sound program and the
26 department of fish and wildlife's safe whale distance guidelines.

27 (6) Fare policies adopted by a district established under this
28 section must:

29 (a) Be consistent with the Washington state ferries fare
30 policies, per consultation with the transportation commission;

31 (b) Allow all riders 18 years of age and younger to ride free of
32 charge on all system routes;

33 (c) Provide reduced fares for seniors, passengers with
34 disabilities, and low-income passengers; and

35 (d) Be integrated into a regional fare card system, if one is in
36 existence within the county in which the district is established.

37 (7) Beginning January 1, 2028, a district established under this
38 section is not eligible for state funds.

39 (8) A passenger-only ferry service district may be dissolved by a
40 majority vote of the governing body when all obligations under any

1 general obligation bonds issued by the passenger-only ferry service
2 district have been discharged and any other contractual obligations
3 of the passenger-only ferry service district have either been
4 discharged or assumed by another governmental entity.

5 **Sec. 2.** RCW 36.57A.224 and 2015 3rd sp.s. c 44 s 314 are each
6 amended to read as follows:

7 (1) A passenger-only ferry service district may, as part of a
8 passenger-only ferry investment plan, recommend some or all of the
9 following revenue sources as provided in this chapter:

10 (a) A sales and use tax, as authorized in RCW 82.14.445, but only
11 for districts in existence as of the effective date of this section;

12 (b) A parking tax, as authorized in RCW 82.80.035;

13 (c) An ad valorem tax on all taxable property located in the
14 district, as provided in subsection (2) of this section;

15 (d) Tolls for passengers, packages, and, where applicable,
16 parking; and

17 ~~((d))~~ (e) Charges or licensing fees for advertising, leasing
18 space for services to ferry passengers, and other revenue generating
19 activities.

20 (2) To carry out the purposes for which passenger-only ferry
21 service districts are created, the governing body of a district may
22 levy each year an ad valorem tax on all taxable property located in
23 the district not to exceed 75 cents per \$1,000 of assessed value. The
24 levy must be sufficient for the provision of ferry services as shown
25 to be required by the budget prepared by the governing body of the
26 district.

27 (3) Taxes may not be imposed without an affirmative vote of the
28 majority of the voters within the boundaries of the passenger-only
29 ferry service district voting on a single ballot proposition to both
30 approve a passenger-only ferry investment plan and to approve taxes
31 to implement the plan. Revenues from these taxes and fees may be used
32 only to implement the plan and must be used for the benefit of the
33 residents of the passenger-only ferry service district. A district
34 must contract with the department of revenue for the administration
35 and collection of a sales and use tax as authorized in RCW 82.14.445.
36 A district may contract with other appropriate entities for the
37 administration and collection of any of the other taxes or charges
38 authorized in this section.

1 **Sec. 3.** RCW 35.92.060 and 2020 c 274 s 15 are each amended to
2 read as follows:

3 A city or town may also construct, condemn and purchase,
4 purchase, acquire, add to, alter, maintain, operate, or lease cable,
5 electric, and other railways, automobiles, motor cars, motor buses,
6 auto trucks, and any and all other forms or methods of transportation
7 of freight or passengers within the corporate limits of the city or
8 town, and a first-class city may also construct, purchase, acquire,
9 add to, alter, maintain, operate, or lease cable, electric, and other
10 railways beyond those corporate limits only within the boundaries of
11 the county in which the city is located and of any adjoining county,
12 for the transportation of freight and passengers above, upon, or
13 underneath the ground. It may also fix, alter, regulate, and control
14 the fares and rates to be charged therefor; and fares or rates may be
15 adjusted or eliminated for any distinguishable class of users
16 including, but not limited to, senior citizens, persons with
17 disabilities, and students. Without the payment of any license fee or
18 tax, or the filing of a bond with, or the securing of a permit from,
19 the state, or any department thereof, the city or town may engage in,
20 carry on, and operate the business of transporting and carrying
21 passengers or freight for hire by any method or combination of
22 methods that the legislative authority of any city or town may by
23 ordinance provide, with full authority to regulate and control the
24 use and operation of vehicles or other agencies of transportation
25 used for such business. A city or town, through its city transit
26 system under this section, may establish a passenger-only ferry
27 service district under RCW 36.57A.222.

28 NEW SECTION. **Sec. 4.** A new section is added to chapter 36.01
29 RCW to read as follows:

30 A county may establish a passenger-only ferry service district
31 under RCW 36.57A.222.

32 NEW SECTION. **Sec. 5.** A new section is added to chapter 53.08
33 RCW to read as follows:

34 A port district may establish a passenger-only ferry service
35 district under RCW 36.57A.222.

36 NEW SECTION. **Sec. 6.** A new section is added to chapter 36.57
37 RCW to read as follows:

1 A county transportation authority and an unincorporated
2 transportation benefit area may establish a passenger-only ferry
3 service district under RCW 36.57A.222.

4 NEW SECTION. **Sec. 7.** A new section is added to chapter 36.56
5 RCW to read as follows:

6 A metropolitan municipal corporation transit system may establish
7 a passenger-only ferry service district under RCW 36.57A.222.

8 NEW SECTION. **Sec. 8.** This act may be known and cited as the
9 mosquito fleet act.

10 NEW SECTION. **Sec. 9.** This act takes effect July 1, 2026."

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11 On page 1, line 2 of the title, after "act;" strike the remainder
12 of the title and insert "amending RCW 36.57A.222, 36.57A.224, and
13 35.92.060; adding a new section to chapter 36.01 RCW; adding a new
14 section to chapter 53.08 RCW; adding a new section to chapter 36.57
15 RCW; adding a new section to chapter 36.56 RCW; creating a new
16 section; and providing an effective date."

EFFECT: • Removes authority for regional transit authorities to
create a passenger-only ferry service district.

• Limits the number of districts an entity can create to one
district.

• Requires governing bodies of current and new districts to
include two additional voting members: One member from a labor
organization and one transit-using member.

• Expands ferry investment plan requirements to include the
disclosure of per-passenger subsidy needed to provide passenger-only
ferry service.

• Requires districts established after December 31, 2027, to
submit the ferry investment plan to all local governments and taxing
districts impacted by the plan, as well as to an independent
consultant, prior to submitting the plan to district voters.

• Makes districts ineligible for state funding beginning in 2028.

• Requires vessels constructed for use by a district established
after December 31, 2027, to: (1) Be constructed under the terms of a
project labor agreement; (2) be constructed in Washington state; (3)
be a zero-emissions vessel; and (4) operate in compliance with the
quiet sound program and follow safe whale distance guidelines.

• Requires fare policies meet certain requirements.

- Limits the use of sales and use tax to districts in existence on the effective date of the bill.
- Allows districts to impose a property tax.
- Makes technical changes to conform with "setting forth in full" requirements.

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