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HOUSE BILL 2492

State of Washington 68th Legislature 2024 Regular Session

By Representatives Nance, Ramel, Berry, Couture, Shavers, Eslick, Pollet, Street, Alvarado, and McEntire

- 1 AN ACT Relating to the creation of the Washington state ferries
- 2 75 commission; creating new sections; and providing an expiration
- 3 date.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 NEW SECTION. Sec. 1. The legislature finds that on June 1,
- 6 1951, the state of Washington bought the black ball fleet and
- 7 commenced providing auto and passenger ferry service on the Puget
- 8 Sound. By the year 1999, the Washington state ferries reached its
- 9 peak ridership of 26,800,000 passengers, making the Washington state
- 10 ferries the world's second largest ferry fleet. During the 21st
- 11 century, ferry service has endured many challenges relating to
- 12 financing, aging vessels, labor shortages, and vessel procurement.
- 13 The legislature further finds that the Washington state ferries has
- 14 not been adequately resourced to fulfill its vital mission.
- 15 Therefore, to ensure the financial sustainability and continued
- 16 excellence of the Washington state ferries, the legislature intends,
- 17 with the 75th anniversary of state ferry service fast approaching, to
- 18 establish a commission to evaluate changes to the financing, funding
- 19 sources, scope of service, and stewardship of the state ferry system
- 20 by June 1, 2026.

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- NEW SECTION. Sec. 2. The joint transportation committee must establish the Washington state ferries 75 commission.
 - (1) The commission must include two appointees each from the house and senate transportation committees, a representative of Washington state ferries, a representative of the governor's office, a representative of labor, and four representatives of ferry dependent communities. The chairs of the house and senate transportation committees must appoint the members representing the house and senate, labor unions, and ferry dependent communities. The commission must elect a chair from amongst its members.
 - (2) The commission must:

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- (a) Evaluate the financing needs and cost structure for Washington state ferries to be able to reliably operate service, including the electrification of vessels in the fleet;
- 15 (b) Explore financing options to increase dedicated funding 16 options for the ferry system;
 - (c) Identify state and federal funding opportunities and methods to optimize Washington state ferries for eligibility, competitive positioning, and receipt;
 - (d) Evaluate alternative organizational designs and stewardship models to best position Washington state ferries for sustained financial strength and operational excellence;
 - (e) Evaluate whether the scope of service provided by the ferry system is sufficient to meet customers' access to employment, professional services, and multimodal transportation connections, including the need to provide passenger-only ferry service; and
 - (f) Outline the necessary elements of a transition plan and legislation to implement the recommended funding and organizational design structures.
- 30 (3) The commission must report to the governor and appropriate 31 committees of the legislature as follows:
 - (a) Preliminary findings by January 13, 2025; and
- 33 (b) Final findings and recommendations by June 1, 2026.
 - (4) This section expires June 1, 2026.
- NEW SECTION. Sec. 3. The Western Washington University center for economic and business research must conduct an economic impact study of reduced ferry service. The study must examine the impacts on a statewide and systemwide basis, on all 10 routes of service provided by the Washington state ferries. The study must include a

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1 review of key factors that impact the overall economy of both ferryserved communities and the state economy. To the extent that data is 2 3 available, the study must address economic impacts on employment, housing, health care costs, emergency response, climate resilience, 4 tourism, and small business. The data must be used to demonstrate the 5 6 magnitude of hardships and to strengthen the case for additional state and federal funding. The university must submit a report to the 7 office of the governor and the Washington state ferries 75 commission 8 by September 30, 2024. 9

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