

## CHAPTER 65

[House Bill No. 1602]

PUBLIC TIMBER SALES—TIMBER SOLD SEPARATELY FROM LAND—  
PROPERTY TAX

AN ACT Relating to public timber sales and property tax; and amending RCW 84.33.078.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 9, chapter 62, Laws of 1983 1st ex. sess. as amended by section 22, chapter 204, Laws of 1984 and RCW 84.33.078 are each amended to read as follows:

When any timber standing on public land, other than federally owned land, is sold separate from the land, the department of natural resources or other governmental unit, as appropriate, shall ~~((provide each bidder with a written notice clearly stating))~~ state in its notice of the sale or prospectus that timber sold separate from the land is subject to property tax ((in 1984 and thereafter)) and that the amount of the tax paid may be used as a credit against any tax imposed with respect to business of harvesting timber from publicly owned land under RCW 84.33.041.

Passed the House January 28, 1986.

Passed the Senate March 1, 1986.

Approved by the Governor March 12, 1986.

Filed in Office of Secretary of State March 12, 1986.

## CHAPTER 66

[Substitute House Bill No. 1866]

## STATE FERRY SYSTEM—FUNDS AND ACCOUNTS

AN ACT Relating to the state ferry system; amending RCW 46.61.100, 47.60.150, 47.60.400, 47.60.420, 47.60.430, 47.60.440, 47.60.450, 47.60.500, 47.60.505, 47.60.550, and 47.60.620; creating a new section; repealing RCW 47.60.350, 47.60.360, 47.60.370, 47.60.380, 47.60.390, 47.60.410, and 47.60.504; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. Section 46.68.100, chapter 12, Laws of 1961 as last amended by section 73, chapter 7, Laws of 1984 and RCW 46.68.100 are each amended to read as follows:

From the net tax amount in the motor vehicle fund there shall be paid monthly as funds accrue the following sums:

(1) To the cities and towns, to be distributed as provided by RCW 46.68.110, sums equal to six and ninety-two hundredths percent of the net tax amount;

(2) To the cities and towns, to be expended as provided by RCW 46.68.115, sums equal to four and sixty-one hundredths percent of the net tax amount;

(3) To the counties, sums equal to twenty-two and seventy-eight hundredths percent of the net tax amount out of which there shall be distributed from time to time, as directed by the department of transportation, those sums as may be necessary to carry out the provisions of RCW 47.56.725, with the balance of such county share to be distributed monthly as the same accrues for distribution in accordance with RCW 46.68.120;

(4) To the urban arterial trust account in the motor vehicle fund, sums equal to seven and twelve hundredths percent of the net tax amount;

(5) To the state, to be expended as provided by RCW 46.68.130, sums equal to forty-five and twenty-six hundredths percent of the net tax amount;

(6) To the state, to be expended as provided by RCW 46.68.150 as now or hereafter amended, sums equal to six and ninety-five hundredths percent of the net tax amount;

(7) To the Puget Sound ((reserve)) capital construction account in the motor vehicle fund sums equal to three and twenty-one hundredths percent of the net tax amount;

(8) To the Puget Sound ferry operations account in the motor vehicle fund sums equal to three and fifteen hundredths percent of the net tax amount.

Nothing in this section or in RCW 46.68.090 or 46.68.130 may be construed so as to violate any terms or conditions contained in any highway construction bond issues now or hereafter authorized by statute and whose payment is by such statute pledged to be paid from any excise taxes on motor and special vehicle fuels.

Sec. 2. Section 47.60.150, chapter 13, Laws of 1961 as last amended by section 135, chapter 3, Laws of 1983 and RCW 47.60.150 are each amended to read as follows:

Subject to the provisions of RCW 47.60.326, the schedule of charges for the services and facilities of the system shall be fixed and revised from time to time by the commission so that the tolls and revenues collected together with any moneys in the Puget Sound ferry operations account appropriated for maintenance and operation, and all moneys in the Puget Sound ((reserve)) capital construction account available for debt service will yield annual revenue and income sufficient, after allowance for all operating, maintenance, and repair expenses to pay the interest and principal and sinking fund charges for all outstanding revenue bonds, and to create and maintain a fund for ordinary renewals and replacements: PROVIDED, That if provision is made by any resolution for the issuance of revenue bonds for the creation and maintenance of a special fund for rehabilitating, rebuilding, enlarging, or improving all or any part of the ferry

system then such schedule of tolls and rates of charges shall be fixed and revised so that the revenue and income will also be sufficient to comply with such provision.

All income and revenues as collected shall be paid to the state treasurer for the account of the department as a separate trust fund and to be segregated and disbursed upon order of the department: PROVIDED, That the fund so segregated and set apart for the payment of the revenue bonds may be remitted to and held by a designated trustee in such manner and with such collateral as may be provided in the resolution authorizing the issuance of said bonds.

Sec. 3. Section 1, chapter 9, Laws of 1961 ex. sess. and RCW 47.60-.400 are each amended to read as follows:

The Washington toll bridge authority is authorized to issue revenue bonds to refund all or any part of the authority's outstanding 1955 Washington state ferry system refunding revenue bonds and 1957 ferry and Hood Canal bridge revenue bonds(~~(, and may issue additional revenue bonds in parity therewith to pay cost of improving the Washington state ferry system or constructing or improving transportation facilities for the crossing of Puget Sound and any of its tributary waters and connections thereof other than bridging from the east side of Puget Sound to the Kitsap Peninsula, Vashon Island or Bainbridge Island. PROVIDED, That the toll bridge authority shall not issue any such additional revenue bonds without further express authorization by the legislature)~~). With respect to the issuing of such bonds and the payment of principal and interest thereon, the payment into reserves, sinking funds, (~~(and the ferry improvement fund established in connection therewith,)~~) and the fixing and revision of charges for services and facilities of the system, and in managing all its fiscal operations, the authority shall have all the powers and shall follow the same procedures established for it under existing laws, except as otherwise provided herein.

Sec. 4. Section 3, chapter 9, Laws of 1961 ex. sess. as amended by section 330, chapter 7, Laws of 1984 and RCW 47.60.420 are each amended to read as follows:

To the extent that all revenues from the Washington state ferry system and the Hood Canal bridge available therefor are insufficient to provide for the payment of principal and interest on the bonds authorized and issued under RCW 47.60.400 through 47.60.470 and for sinking fund requirements established with respect thereto and for payment into such reserves as the department has established with respect to the securing of the bonds (~~(and for payment into the ferry improvement fund)~~), there is imposed a first and prior charge against the Puget Sound (~~(reserve)~~) capital construction account of the motor vehicle fund created by RCW (~~(47.60.350~~

through ~~47.60.390~~) 47.60.505 and, to the extent required, against all revenues required by RCW 46.68.100 to be deposited in the Puget Sound (~~(reserve)~~) capital construction account.

To the extent that the revenues from the Washington state ferry system and the Hood Canal bridge available therefor are insufficient to meet required payments of principal and interest on bonds, sinking fund requirements, and payments into reserves (~~(and the payments into the ferry improvement fund provided in RCW 47.60.410)~~), the department shall use moneys in the Puget Sound (~~(reserve)~~) capital construction account for such purpose. Any moneys from the Puget Sound (~~(reserve)~~) capital construction account used by the department to pay the obligations shall be repaid by the department to the motor vehicle fund from tolls of the Washington state ferry system and the Hood Canal bridge, and tolls shall be continued for any required additional length of time necessary for this purpose.

Sec. 5. Section 4, chapter 9, Laws of 1961 ex. sess. and RCW 47.60.430 are each amended to read as follows:

So long as any bonds issued as authorized herein are outstanding, the state hereby agrees to continue to impose (~~(the)~~) at least one-quarter cent of motor vehicle fuel tax and one-quarter cent of (~~(use)~~) special fuel tax required by law (~~(to be deposited)~~) and to deposit the proceeds of these taxes in the Puget Sound (~~(reserve)~~) capital construction account of the motor vehicle fund.

Sec. 6. Section 5, chapter 9, Laws of 1961 ex. sess. as last amended by section 139, chapter 3, Laws of 1983 and RCW 47.60.440 are each amended to read as follows:

The Washington state ferry system shall be efficiently managed, operated, and maintained as a revenue-producing undertaking. Subject to the provisions of RCW 47.60.326 the commission shall maintain and revise from time to time as necessary a schedule of tolls and charges on said ferry system and Hood Canal bridge which together with any moneys in the Puget Sound ferry operations account appropriated for maintenance and operation and all moneys in the Puget Sound (~~(reserve)~~) capital construction account available for debt service will produce net revenue available for debt service, in each fiscal year, in an amount at least equal to minimum annual debt service requirements as hereinafter provided. Minimum annual debt service requirements as used in this section shall include required payments of principal and interest, sinking fund requirements, and payments into reserves on all outstanding revenue bonds authorized by RCW 47.60.400 through 47.60.470 (~~(and all other outstanding parity bonds hereafter issued in connection with the said ferry system and Hood Canal bridge and any other facility hereafter constructed by the department to facilitate the crossing of Puget Sound, but shall not include payments into the ferry improvement fund)~~).

The provisions of law relating to the revision of tolls and charges to meet minimum annual debt service requirements from net revenues as required by this section shall be binding upon the commission but shall not be deemed to constitute a contract to that effect for the benefit of the holders of such bonds.

Sec. 7. Section 6, chapter 9, Laws of 1961 ex. sess. as amended by section 331, chapter 7, Laws of 1984 and RCW 47.60.450 are each amended to read as follows:

If the net revenue together with all moneys in the Puget Sound ((~~re-~~serve)) capital construction account available for debt service in any fiscal year fail to meet minimum annual debt service for the year, as defined in RCW 47.60.440, the commission shall promptly revise the tolls and charges after considering supporting data and recommendations therefor which shall be furnished by a nationally recognized traffic engineering firm retained by the commission in the manner provided in the bond proceedings.

Tolls and charges shall not be increased in any case when in the opinion of the engineering firm the increase would so reduce traffic that no net gain in revenue would result. This section is a covenant for the benefit of the holders of the bonds.

Sec. 8. Section 1, chapter 85, Laws of 1970 ex. sess. as amended by section 333, chapter 7, Laws of 1984 and RCW 47.60.500 are each amended to read as follows:

(1) The legislature finds that the state's ferry fleet available for mass transportation of people within the urban region of Puget Sound is critically deficient and that substantial financial assistance for the acquisition of new ferries is necessary if the Washington state ferries is to continue to fulfill its role in the Puget Sound regional urban transportation system.

(2) The department is authorized:

(a) To apply to the United States secretary of transportation for a financial grant to assist the state to acquire urgently needed ferries;

(b) To enter into an agreement with the United States secretary of transportation or other duly authorized federal officials and to assent to such conditions as may be necessary to obtain financial assistance for the acquisition of additional ferries. In connection with the agreement the department may pledge any moneys in the Puget Sound capital construction account, not required for debt service, in the motor vehicle fund or any moneys to be deposited in the account for the purpose of paying the state's share of the cost of acquiring ferries. To the extent of the pledge the department shall use the moneys available in the Puget Sound capital construction account to meet the obligations as they arise.

Sec. 9. Section 2, chapter 85, Laws of 1970 ex. sess. as last amended by section 3, chapter 27, Laws of 1979 and RCW 47.60.505 are each amended to read as follows:

There is hereby created in the motor vehicle fund the Puget Sound capital construction account. All moneys hereafter deposited in said account shall be used by the department of transportation for:

(1) Reimbursing the motor vehicle fund for all transfers therefrom made in accordance with RCW 47.60.620; and

(2) Improving the Washington state ferry system including, but not limited to, vessel acquisition, vessel construction, major and minor vessel improvements, terminal construction and improvements, and reconstruction or replacement of, and improvements to, the Hood Canal bridge, reimbursement of the motor vehicle fund for any state funds, other than insurance proceeds, expended therefrom for reconstruction or replacement of and improvements to the Hood Canal bridge, pursuant to proper appropriations: PROVIDED, That any funds accruing to the Puget Sound capital construction account after June 30, 1979, which are not required to reimburse the motor vehicle fund pursuant to RCW 47.60.620 as such obligations come due nor are required for capital improvements of the Washington state ferries pursuant to appropriations therefor shall from time to time as shall be determined by the department of transportation be transferred by the state treasurer to the Puget Sound ferry operations account in the motor vehicle fund.

(3) The department may pledge any moneys in the Puget Sound capital construction account or to be deposited in that account to guarantee the payment of principal or interest on bonds issued to refund the outstanding 1955 Washington state ferry system refunding bonds and the 1957 ferry and Hood Canal bridge revenue bonds.

The department may further pledge moneys in the Puget Sound capital construction account to meet any sinking fund requirements or reserves established by the department with respect to any bond issues provided for in this section.

To the extent of any pledge authorized in this section, the department shall use the first moneys available in the Puget Sound capital construction account to meet such obligations as they arise, and shall maintain a balance of not less than one million dollars in the account for this purpose.

(4) The treasurer shall never transfer any moneys from the Puget Sound capital construction account for use by the department for state highway purposes so long as there is due and unpaid any obligations for payment of principal, interest, sinking funds, or reserves as required by any pledge of the Puget Sound capital construction account. Whenever the department has pledged any moneys in the account for the purposes authorized in this section, the state agrees to continue to deposit in the Puget Sound capital construction account the motor vehicle fuel taxes and special fuel taxes as provided in RCW 82.36.020 and 82.38.290 and further agrees that, so long as there exists any outstanding obligations pursuant to such pledge, to continue to impose such taxes.

(5) Funds in the Puget Sound capital construction account of the motor vehicle fund that are not required by the department for payment of principal or interest on bond issues or for any of the other purposes authorized in this chapter may be invested by the department in bonds and obligations of the nature eligible for the investment of current state funds as provided in RCW 43.84.080.

Sec. 10. Section 1, chapter 69, Laws of 1975-'76 2nd ex. sess. as amended by section 335, chapter 7, Laws of 1984 and RCW 47.60.550 are each amended to read as follows:

(1) Whenever a county, city, or other municipal corporation acquires or constructs a facility to be used in whole or in part for off-street parking of motor vehicles which is in the immediate vicinity of an existing or planned ferry terminal, the department may enter into an agreement with the local governmental body providing for the use in part or at specified times of the facility as a holding area for traffic waiting to board a ferry or for parking by ferry patrons.

(2) As a part of an agreement authorized by subsection (1) of this section, the department, subject to the limitations contained in RCW (~~47-60.380~~) 47.60.505, may pledge any moneys in the Puget Sound capital construction account in the motor vehicle fund, or to be deposited in the account, to guarantee the payment of principal and interest on bonds issued by a county, city, or other municipal corporation to finance the acquisition or construction of the parking facility. In making the pledge, the department shall reserve the right to issue its own bonds for the purpose of paying the costs of acquiring ferry vessels with the provision that the bonds shall rank on parity with the bonds authorized by this section as a lien upon moneys in or to be deposited in the Puget Sound capital construction account.

The department shall also reserve the right to pledge moneys in the Puget Sound capital construction account to guarantee subsequent bonds issued by any county, city, or other municipal corporation to finance parking facilities as authorized in subsection (1) of this section with the provision that the subsequent bonds shall rank on parity with prior bonds guaranteed pursuant to this section as a lien upon moneys in or to be deposited in the Puget Sound capital construction account. To the extent of any pledge herein authorized, the department shall use the first moneys available in the Puget Sound capital construction account to meet the obligations as they arise.

Sec. 11. Section 7, chapter 360, Laws of 1977 ex. sess. and RCW 47.60.620 are each amended to read as follows:

Whenever, pursuant to RCW 47.60.600, the state treasurer shall transfer funds from the motor vehicle fund to the ferry bond retirement fund, the state treasurer shall at the same time reimburse the motor vehicle

fund in an identical amount from the Puget Sound capital construction account. After each transfer by the treasurer of funds from the motor vehicle fund to the bond retirement fund and to the extent permitted by RCW 47.60.42C, 47.60.505(3), and 47.60.505(4), the obligation to reimburse the motor vehicle fund as required herein shall constitute a first and prior charge against the funds within and accruing to the Puget Sound capital construction account, including the proceeds of the additional two-tenths of one percent excise tax imposed by RCW 82.44.020, as amended by chapter 332, Laws of 1977 ex. sess. All funds reimbursed to the motor vehicle fund as provided herein shall be distributed to the state for expenditure pursuant to RCW 46.68.130.

NEW SECTION. Sec. 12. The following acts or parts of acts are each repealed:

(1) Section 18, chapter 7, Laws of 1961 ex. sess., section 326, chapter 7, Laws of 1984 and RCW 47.60.350;

(2) Section 19, chapter 7, Laws of 1961 ex. sess., section 5, chapter 85, Laws of 1970 ex. sess. and RCW 47.60.360;

(3) Section 20, chapter 7, Laws of 1961 ex. sess., section 327, chapter 7, Laws of 1984 and RCW 47.60.370;

(4) Section 21, chapter 7, Laws of 1961 ex. sess., section 138, chapter 3, Laws of 1983 and RCW 47.60.380;

(5) Section 22, chapter 7, Laws of 1961 ex. sess., section 328, chapter 7, Laws of 1984 and RCW 47.60.390;

(6) Section 2, chapter 9, Laws of 1961 ex. sess., section 329, chapter 7, Laws of 1984 and RCW 47.60.410; and

(7) Section 1, chapter 184, Laws of 1981 and RCW 47.60.504.

NEW SECTION. Sec. 13. Moneys in the Puget Sound reserve account and ferry improvement fund on the effective date of this act shall be transferred to the Puget Sound capital construction account.

NEW SECTION. Sec. 14. This act shall take effect July 1, 1987. The secretary of transportation may immediately take such steps as are necessary to ensure that this act is implemented on its effective date.

Passed the House February 13, 1986.

Passed the Senate March 1, 1986.

Approved by the Governor March 12, 1986.

Filed in Office of Secretary of State March 12, 1986.

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## CHAPTER 67

[Substitute House Bill No. 1976]

### MENTAL ILLNESS—INVOLUNTARY TREATMENT

AN ACT Relating to involuntary treatment; amending RCW 71.05.330, 71.05.280, 71.05.290, 71.05.320, 71.05.340, and 71.05.390; and adding new sections to chapter 71.05 RCW.