



Skagit County vessel replacement surcharge Q&A

Skagit County Board of Commissioners

Ron Wesen, District 1

Kenneth A. Dahlstedt, Chair, District 2

Lisa Janicki, District 3

Why begin collecting funds for a new ferry when it is far from clear yet that Skagit County will find or raise the money to construct a new vessel?

We know that the current vessel will not last forever, and that one day we will need to replace the M/V Guemes. The same goes for all of the other equipment Skagit County owns. For example, when we buy a dump truck, we know one day we will need to replace it. It is financially prudent to establish a replacement fund for all Skagit County equipment before it needs to be replaced – and the ferry is no exception. In fact, many people do this in their own budgets: Put a little cash away in a rainy-day fund, or a savings account, in preparation for future emergency expenditures – like fixing a leaky roof or replacing a broken appliance. Collecting funds now for a new ferry means we have a savings account specifically set aside for that purpose when the time comes for new vessel construction.

Are the funds being collected specifically to be applied to a new vessel? If so, will those funds be set aside and used only for that purpose, or will the funds be used wherever Public Works chooses?

Yes, funds collected would only be used for a new vessel. Per [RCW 36.54.200](#), “Revenues generated from the surcharge may only be used for the construction or purchase of ferry vessels and to pay the principal and interest on bonds authorized for the construction or purchase of ferry vessels.” By law, Public Works cannot use ferry surcharge funds for any other purpose.

Will those funds be audited and the balance reported periodically?

Skagit County’s financial statements are audited on a yearly basis, and the fund balance can be reported any time.

If the remaining funds are not found and a new ferry not built, will the surcharge funds be returned to us?

No. We know that we will have to build a new ferry sometime in the next decade. The M/V Guemes will not last forever. Any surcharge funds collected will be set aside in a dedicated account to pay for the cost of a new vessel.

How long will the surcharge be in effect?

That’s up to the Skagit County Board of Commissioners to decide. We should have instituted a replacement surcharge in 1979, when the current vessel went into service. Because that didn’t happen, we are bearing the full cost of replacement today.

Is there a total amount you intend to raise with the surcharge?

No. The proposed surcharge is estimated to generate \$245,000 per year toward construction of a new vessel. If the surcharge remains in place at the proposed rate, in 40 years, Skagit County could have \$9.8 million set aside for vessel replacement.

Once a new ferry is built will the surcharge be removed?

Again, that’s up to the Skagit County Board of Commissioners to decide. It would be prudent for Skagit County to keep a surcharge in place to build a fund for the next ferry replacement.

Can you provide me another example of a bridge, road or other infrastructure project in Skagit County where the users of that infrastructure were assessed a portion of the cost?

All bridges, roads and infrastructure in Skagit County are directly paid for by the users through property, gas and/or sales taxes. In some cases, residents are assessed a portion of the cost if they benefit from special services above and beyond basic taxpayer-funded infrastructure. That occurs all over the state and nation, not just Skagit County.

For example: Residents in designated dike districts pay an additional assessment toward maintenance and repair of levees along the Skagit River. Those residents directly benefit from properly maintained levees, so they share that cost; other county residents do not pay because they receive no direct benefit. Local Improvement Districts or Transportation Benefit Districts are another example of users being assessed a portion of the cost for road, bridge or other infrastructure projects. In 2016, residents living along Colony and Legg roads entered into a funding agreement with Skagit County for the establishment of a railroad quiet zone. The Blanchard Quiet Zone Project benefits those residents by lowering the noise of passing trains, and as such, the residents agreed to raise a portion of the funds needed for construction of the project.

Specifically regarding ferry infrastructure costs, the Washington State Ferries include a ticket surcharge to be used for replacement of their vessels. The surcharge went into effect in October 2011 on every ticket issued, including multi-ride and monthly passes.