

payment therefor shall be governed by the public utility laws for cities and towns.

NEW SECTION. Sec. 2. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

EXPLANATORY NOTE

RCW 54.24.018 was amended twice during the 1970 extraordinary session of the legislature.

Section 33, chapter 42, Laws of 1970 ex. sess. changed the amount of proposed indebtedness of a public utility district to be submitted to the voters from "one and one-half percent of the taxable property" to "three-fourths of one percent of the value of taxable property".

Section 77, chapter 56, Laws of 1970 ex. sess. removed the eight percent interest limitation on bonds authorized for general indebtedness and authorized the district commissioners to set the rates of interest.

As these amendments appear to be in different respects, the purpose of this bill is to give effect to both amendments by reenacting the section with both amendments included therein.

Passed the House January 29, 1971

Passed the Senate February 17, 1971

Approved by the Governor February 26, 1971

Filed in Office of Secretary of State February 27, 1971.

CHAPTER 13

[House Bill No. 99]

REVENUE AND TAXATION--

CODE CORRECTIONS

AN ACT Relating to revenue and taxation; amending and reenacting section 82.04.430, chapter 15, Laws of 1961 as last amended by section 5, chapter 65, Laws of 1970 ex. sess. and by section 2, chapter 101, Laws of 1970 ex. sess., and RCW 82.04.430; and declaring an emergency.

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

Section 1. Section 82.04.430, chapter 15, Laws of 1961 as last amended by section 5, chapter 65, Laws of 1970 ex. sess. and by

section 2, chapter 101, Laws of 1970 ex. sess., and RCW 82.04.430 are each amended and reenacted to read as follows:

In computing tax there may be deducted from the measure of tax the following items:

(1) Amounts derived by persons, other than those engaging in banking, loan, security, or other financial businesses, from investments or the use of money as such, and also amounts derived as dividends by a parent from its subsidiary corporations;

(2) Amounts derived from bona fide initiation fees, dues, contributions, donations, tuition fees, charges made for operation of privately operated kindergartens, and endowment funds. This paragraph shall not be construed to exempt any person, association, or society from tax liability upon selling tangible personal property or upon providing facilities or services for which a special charge is made to members or others. Dues which are for, or graduated upon, the amount of service rendered by the recipient thereof are not permitted as a deduction hereunder;

(3) The amount of cash discount actually taken by the purchaser. This deduction is not allowed in arriving at the taxable amount under the extractive or manufacturing classifications with respect to articles produced or manufactured, the reported values of which, for the purposes of this tax, have been computed according to the provisions of RCW 82.04.450;

(4) The amount of credit losses actually sustained by taxpayers whose regular books of account are kept upon an accrual basis;

(5) So much of the sale price of motor vehicle fuel as constitutes the amount of tax imposed by the state or the United States government upon the sale thereof;

(6) Amounts derived from business which the state is prohibited from taxing under the Constitution of this state or the Constitution or laws of the United States;

(7) Amounts derived by any person as compensation for the receiving, washing, sorting, and packing of fresh perishable horticultural products and the material and supplies used therein when performed for the person exempted in RCW 82.04.330, either as agent or as independent contractor;

(8) Amounts derived as compensation for services rendered or to be rendered to patients by a hospital, as defined in chapter 70.41, devoted to the care of human beings with respect to the prevention or treatment of disease, sickness, or suffering, when such hospital is operated by the United States or any of its instrumentalities, or by the state, or any of its political subdivisions;

(9) Amounts derived as compensation for services rendered to

patients by a hospital, as defined in chapter 70.41, which is operated as a nonprofit corporation, nursing homes and homes for unwed mothers operated as religious or charitable organizations, but only if no part of the net earnings received by such an institution inures directly or indirectly, to any person other than the institution entitled to deduction hereunder. In no event shall any such deduction be allowed, unless the hospital building is entitled to exemption from taxation under the property tax laws of this state;

(10) Amounts derived by a political subdivision of the state of Washington from another political subdivision of the state of Washington as compensation for services which are within the purview of RCW 82.04.290 ((-));

(11) By those engaged in banking, loan, security or other financial businesses, amounts derived from interest received on investments or loans primarily secured by first mortgages or trust deeds on nontransient residential properties;

(12) By those engaged in banking, loan, security or other financial businesses, amounts derived from interest paid on all obligations of the state of Washington, its political subdivisions, and municipal corporations organized pursuant to the laws thereof((-));

(13) Amounts derived as interest on loans by a lending institution which is owned exclusively by its borrowers or members and which is engaged solely in the business of making loans for agricultural production.

NEW SECTION. Sec. 2. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

EXPLANATORY NOTE

RCW 82.04.430 was twice amended during the 1970 extraordinary session.

Section 5, chapter 65, Laws of 1970 ex. sess. added subsection (10) relating to amounts derived as compensation for services from one political subdivision of the state by another political subdivision.

Section 2, chapter 101, Laws of 1970 ex. sess. added to subsection (1) "and also amounts derived as dividends by a parent from its subsidiary corporations". Three subsections were also added, herein renumbered as: (11) relating to interest received on investments or loans secured by first

mortgages or trust deeds on nontransient residential properties by certain financial businesses; (12) relating to interest received by certain financial businesses on obligations of the state, its political subdivisions, or municipal corporations; and (13) relating to interest derived on loans by institutions engaged solely in making loans for agricultural production.

As these amendments appear to be in different respects, the purpose of this bill is to give effect to each by reenacting the section with the amendments incorporated therein.

Passed the House January 29, 1971.

Passed the Senate February 17, 1971.

Approved by the Governor February 26, 1971.

Filed in Office of Secretary of State February 27, 1971.

CHAPTER 14
[House Bill No. 27]
STATE TREASURER--
OFFICIAL BOND

AN ACT Relating to state government; increasing the state treasurer's faithful performance bond; and amending section 43.08.020, chapter 8, Laws of 1965 and RCW 43.08.020.

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

Section 1. Section 43.08.020, chapter 8, Laws of 1965 and RCW 43.08.020 are each amended to read as follows:

The state treasurer shall reside and keep his office at the seat of government. Before entering upon his duties, he shall execute and deliver to the secretary of state a bond to the state in ((the)) a sum of ((two hundred and fifty)) not less than five hundred thousand dollars, to be approved by the secretary of state and one of the judges of the supreme court, conditioned to pay all moneys at such times as required by law, and for the faithful performance of all duties required of him by law. He shall take an oath of office, to be indorsed on his commission, and file a copy thereof, together with the bond, in the office of the secretary of state.

Passed the House January 29, 1971.

Passed the Senate February 20, 1971.

Approved by the Governor February 26, 1971.

Filed in Office of Secretary of State February 27, 1971.