Sec. 6. This act shall take effect on July 1, 1961.
Passed the Senate March 31, 1961.
Passed the House March 31, 1961.
Approved by the Governor April 3, 1961.

CHAPTER 23.
[ S. B. 5. ]

CAPITAL IMPROVEMENT PROJECTS—FINANCING.
An Act Providing for the financing of capital improvement projects from the proceeds of a bond issue repayable from a portion of the retail sales tax and such additional means as the legislature may provide.

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

Section 1. For the purpose of furnishing funds to finance projects in the 1961-1963 capital budget, as adopted by the legislature, there shall be issued and sold limited obligation bonds of the state of Washington in the sum of twenty-seven million five hundred fifty-six thousand dollars to be paid and discharged not more than twenty years after date of issuance. The issuance, sale and retirement of said bonds shall be under the general supervision and control of the state finance committee.

The state finance committee is authorized to prescribe the forms of such bonds; the provisions of sale of all or any portion or portions of such bonds; the terms, provisions, and covenants of said bonds; and the sale, issuance, and redemption thereof. None of the bonds herein authorized shall be sold for less than the par value thereof. Such bonds shall state distinctly that they shall not be a general obligation of the state of Washington, but shall be payable in the manner and from the proceeds of retail sales taxes as in this act provided. As a part of the contract of sale of the aforesaid bonds, the state under-
takes to continue to levy the taxes referred to herein and to fix and maintain said taxes in such amounts as will provide sufficient funds to pay said bonds and interest thereon until all such obligations have been paid in full.

The committee may provide that the bonds, or any of them, may be called prior to the maturity date thereof under such terms, conditions, and provisions as it may determine and may authorize the use of facsimile signatures in the issuance of such bonds and upon any coupons attached thereto: Provided, That any bonds issued under authority of this act for the purpose of financing the construction of the Correctional Institution authorized by chapter 214, Laws of 1959, shall be so identified and shall be subject to call prior to the maturity date thereof. Such bonds shall be payable at such places as the state finance committee may provide. The state finance committee shall, in making its invitation or call for bids on the sale or issuance of such bonds, other than those governed by the proviso in this section, secure bids on the condition that the bonds may be called prior to maturity and it shall also secure bids on the condition that they shall not be subject to prior call.

Sec. 2. The proceeds from the sale of the bonds authorized herein shall be deposited in the state building construction account of the general fund and shall be used exclusively for the purposes of carrying out the provisions of the capital appropriation act of 1961, and for payment of the expense incurred in the printing, issuance, and sale of such bonds.

Sec. 3. Retirement of the bonds and interest authorized by this act shall be from the state building construction bond redemption fund created by chapter 298, Laws of 1957. The state finance committee shall on or before June thirtieth of each year certify
to the state treasurer the amount needed in the ensuing twelve months to meet interest payments on and retirement of bonds authorized by this act. The state treasurer shall thereupon deposit such amount in the state building construction bond redemption fund from moneys transmitted to the state treasurer by the tax commission and certified by the tax commission to be sales tax collections, and such amount certified by the state finance committee to the state treasurer shall be a prior charge against all retail sales tax revenues of the state of Washington, subject to and inferior only to amounts previously pledged for the payment of interest on and retirement of bonds heretofore issued. Said bond redemption fund shall be kept segregated from all moneys in the state treasury and shall, while any of such bonds or interest thereon remains unpaid, be available solely for the payment thereof. As a part of the contract of sale of the bonds herein authorized, the state undertakes to continue to levy and collect a tax on retail sales equal to that portion thereof allocated to said fund as provided in this act, and to place the proceeds thereof in the state building construction bond redemption fund and to make said fund available to meet said payments when due until all bonds and the interest thereon authorized under this act shall have been paid.

Sec. 4. The legislature may provide additional means for raising funds for the payment of the interest and principal of the bonds authorized by this act and this act shall not be deemed to provide an exclusive method for such payment. The power given to the legislature by this section is permissive and shall not be construed to constitute a pledge of the general credit of the state of Washington.

Sec. 5. The bonds herein authorized shall be fully negotiable instruments and shall be legal investment for all state funds or for funds under state
control and all funds of municipal corporations, and
shall be legal security for all state, county, and
municipal deposits.

Passed the Senate March 31, 1961.
Passed the House March 31, 1961.
Approved by the Governor April 3, 1961.

CHAPTER 24.
[S. B. 10.]

REVENUE AND TAXATION.

An Act Relating to revenue and taxation; amending section 82.04.050, chapter 15, Laws of 1961 and RCW 82.04.050; amending section 82.08.150, chapter 15, Laws of 1961 and RCW 82.08.150; amending section 82.24.020, chapter 15, Laws of 1961 and RCW 82.24.020; amending section 82.24.070, chapter 15, Laws of 1961 and RCW 82.24.070; repealing section 83.40.050, chapter 15, Laws of 1961 and RCW 83.40.050; adding a new section to chapter 15, Laws of 1961 and to chapter 84.40 RCW; adding a new chapter to chapter 15, Laws of 1961 and to Title 82 RCW; and declaring an emergency.

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

SECTION 1. Section 82.04.050, chapter 15, Laws of 1961 and RCW 82.04.050 are each amended to read as follows:

“Sale at retail” or “retail sale” means every sale of tangible personal property (including articles produced, fabricated, or imprinted) other than a sale to one who (a) purchases for the purpose of resale as tangible personal property in the regular course of business, or (b) installs, repairs, cleans, alters, imprints, improves, constructs, or decorates real or personal property of or for consumers, if such tangible personal property becomes an ingredient or component of such real or personal property, or (c) purchases for the purpose of consuming the