any act of congress, whose principal purposes are to furnish volunteer
aid to members of the armed forces of the United States and also to
carry on a system of national and international relief and to apply
the same in mitigating the sufferings caused by pestilence, famine,
fire, floods, and other national calamities and to devise and carry
on measures for preventing the same.

NEW SECTION. Sec. 2. There is added to chapter 15, Laws of
1961 and to chapter 84.36 RCW a new section to read as follows:

Property leased, loaned, sold with the option to repurchase,
or otherwise made available to organizations as set out in section
1 above shall not be exempt from taxation: PROVIDED, That property
which is owned by an organization as set out in section 1 may loan
the property to another organization for the same purpose as set out
in section 1.

Passed the House March 13, 1969.
Passed the Senate March 12, 1969.
Approved by the Governor March 25, 1969.
Filed in office of Secretary of State March 25, 1969.

CHAPTER 138
[Engrossed Senate Bill No. 33]
STATE SUPPORT OF COMMON SCHOOLS

AN ACT Relating to education; amending section 2, chapter 154, Laws
of 1965 ex. sess., as last amended by section 3, chapter 140,
Laws of 1967 ex. sess., and RCW 28.41.130; amending section
28A.41.130, chapter ..., Laws of 1969 (HB 58) and RCW 28A.41-
.130; providing sections to effect the correlative and pari
materià construction of this act with the provisions of Title
28 RCW, or of Titles 28A and 28B RCW if such titles be enacted;
and making an effective date.

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

Part I. Sections affecting current law.

Section 1. Section 2, chapter 154, Laws of 1965 ex. sess.,
as last amended by section 3, chapter 140, Laws of 1967 ex. sess.,
and RCW 28.41.130 are each amended to read as follows:

From those funds made available by the legislature for the
current use of the common schools, other than the proceeds of the state property tax, the state superintendent of public instruction shall distribute annually as provided in RCW 28.48.010 to each school district of the state operating a program approved by the state board of education, an amount which, when combined with the following revenues, will constitute an equal guarantee in dollars for each weighted student enrolled, based upon one full school year of one hundred eighty days:

(1) Eighty-five percent of the amount of revenues which would be produced by a levy of fourteen mills on the assessed valuation of taxable property within the school district adjusted to twenty-five percent of true and fair value thereof as determined by the state department of revenue's indicated county ratio: PROVIDED, That in each of the calendar years 1968 and 1969 the funds otherwise distributable under this section to any school district which is collecting property taxes based upon a levy of less than five-sixths of the maximum levy permissible for the district for such year under RCW 84.52.050 shall be reduced by an amount equal to the difference between the proceeds of the actual school district tax levy in the district and the proceeds which five-sixths of such maximum permissible levy for the district would produce irrespective of any delinquencies: PROVIDED, FURTHER, That the funds otherwise distributable under this section to any school district for any year other than the calendar years 1968 and 1969 shall be reduced by the difference between the proceeds from the actual school district tax levy in the district and the amount the maximum levy permissible for the district under RCW 84.52.050 would produce irrespective of any delinquencies; and

(2) The receipts from the one percent tax on real estate transactions which may be imposed pursuant to chapter 28.45 RCW: PROVIDED, That the funds otherwise distributable under this section to any school district in any county which does not impose a tax in the full amount authorized by chapter 28.45 RCW shall be reduced by five percent; and
(3) Net-receipts-from-those-funds-received-pursuant-to-Title-20, sections-236-through-244, United-States-Code, in-the-following-specified-percentages:
   
   School-year-1965-66....................................................40%
   School-year-1966-67....................................................55%
   School-year-1967-68....................................................70%
   School-year-1968-69-and-thereafter..............................85%

Net-receipts-are-gross-receipts-of-the-district-less-the-cost-of-the-district-of-processing-the-receipts-and-claims-required-for-the-administration-of-Title-20, sections-236-through-244, United-States-Code, and

(4) Eighty-five percent of the maximum receipts collectible from the high school district fund pursuant to chapter 28.44 RCW; and

(5) Public utility district funds distributed to school districts pursuant to RCW 54.28.090, in the following specified percentages:
   
   School-year-1965-66....................................................40%
   School-year-1966-67....................................................55%
   School-year-1967-68....................................................70%
   School-year-1968-69-and-thereafter..............................85%

(6) Federal forest revenues distributed to school districts pursuant to RCW 36.33.110, in the following specified percentages:
   
   School-year-1965-66....................................................40%
   School-year-1966-67....................................................55%
   School-year-1967-68....................................................70%
   School-year-1968-69-and-thereafter..............................85%

(7) Eighty-five percent of such other available revenues as the superintendent of public instruction may deem appropriate for consideration in computing state equalization support: PROVIDED, That federal funds distributed pursuant to Title 20, sections 236 through 244, United States Code shall not be deemed available revenues for the purposes of this subsection.
Part II. Sections affecting proposed 1969 education code.

Sec. 2. Section 28A.41.130, chapter ..., Laws of 1969 (HB 58) and RCW 28A.41.130 are each amended to read as follows:

From those funds made available by the legislature for the current use of the common schools, other than the proceeds of the state property tax, the state superintendent of public instruction shall distribute annually as provided in RCW 28A.48.010 to each school district of the state operating a program approved by the state board of education, an amount which, when combined with the following revenues, will constitute an equal guarantee in dollars for each weighted student enrolled, based upon one full school year of one hundred eighty days:

(1) Eighty-five percent of the amount of revenues which would be produced by a levy of fourteen mills on the assessed valuation of taxable property within the school district adjusted to twenty-five percent of true and fair value thereof as determined by the state department of revenue's indicated county ratio: PROVIDED, That in each of the calendar years 1968 and 1969 the funds otherwise distributable under this section to any school district which is collecting property taxes based upon a levy of less than five-sixths of the maximum levy permissible for the district for such year under RCW 84.52.050 shall be reduced by an amount equal to the difference between the proceeds of the actual school district tax levy in the district and the proceeds which five-sixths of such maximum permissible levy for the district would produce irrespective of any delinquencies: PROVIDED, FURTHER, That the funds otherwise distributable under this section to any school district for any year other than the calendar years 1968 and 1969 shall be reduced by the difference between the proceeds from the actual school district tax levy in the district and the amount the maximum levy permissible for the district under RCW 84.52.050 would produce irrespective of any delinquencies; and

(2) The receipts from the one percent tax on real estate
transactions which may be imposed pursuant to chapter 28A.45 RCW: PROVIDED, That the funds otherwise distributable under this section to any school district in any county which does not impose a tax in the full amount authorized by chapter 28A.45 RCW shall be reduced by five percent; and

(3) Eighty-five percent of the net receipts from those funds received pursuant to Title 20, sections 236 through 244, United States Code, net receipts are gross receipts of the district less the cost to the district of processing the records and claims required for the administration of Title 20, sections 236 through 244, United States Code; and

(4)) Eighty-five percent of the maximum receipts collectible from the high school district fund pursuant to chapter 28A.44 RCW; and

((5)) (4) Eighty-five percent of the receipts from public utility district funds distributed to school districts pursuant to RCW 54.28.090; and

((6)) (5) Eighty-five percent of the receipts from federal forest revenues distributed to school districts pursuant to RCW 36.33.110;

((7)) (6) Eighty-five percent of such other available revenues as the superintendent of public instruction may deem appropriate for consideration in computing state equalization support, other than federal funds received pursuant to Title 20, sections 236 through 244, United States Code which funds shall be distributed without affecting the state distribution under this section.

Part III. Construction.

NEW SECTION. Sec. 3. The forty-first legislature has before it a bill proposing a complete revision of the education laws of this state (1969 HB 58). The provisions of Part I of the instant bill seek to change existing laws. The provisions of Part II seek to change correlative provisions of the proposed 1969 education code if such code becomes law. It is the intent of the legislature that
the provisions of Part I shall be effective only until the date upon which the 1969 education code shall take effect, upon which date the provisions of Part I shall expire and the provisions of Part II shall concomitantly become effective. It is the further intent of the legislature that Part II of the instant bill shall not take effect unless the proposed 1969 education code is adopted at this legislature, but if such event occurs then the amendatory provisions of Part II of this bill shall be construed as amending the correlative sections of the 1969 education code, and shall be construed as being in pari materia with the 1969 education code.

NEW SECTION. Sec. 4. Part II of this 1969 amendatory act shall be effective July 1, 1969, if the 1969 education code (HB 58) becomes effective prior thereto, otherwise at such date such education code becomes effective.

NEW SECTION. Sec. 5. The effective date of Part I of this 1969 amendatory act shall be July 1, 1969.

Passed the Senate February 7, 1969.
Passed the House March 11, 1969.
Approved by the Governor March 25, 1969, with the exception of a certain item in section 1 (6) and section 2 (6), which are vetoed.
Filed in office of Secretary of State March 25, 1969.

NOTE: Governor's explanation of partial veto is as follows:
"...A rider attached to the Federal Vocational Education Amendments Act of 1968 eliminates the payment of assistance funds to federally impacted areas under Public Law 874 to school districts in any state that takes these federal payments into consideration in determining the amount of state aid to local school districts. This rider becomes effective July 1, 1969, and requires a change from our present formula for allocating state funds for the support of local schools.

Our state foundation program establishes a minimum level of cost for the education of all public school children. The state then guarantees this amount of money for each weighted pupil in all school districts. For a comparatively few school districts which have a high local tax base, this minimum guarantee may be reached with little state aid. However, in the vast majority of cases, the local funds available to the schools are not enough to assure equal educational opportunity for every child. The state, therefore, provides necessary funds to bring the payment for per pupil cost up to the
guaranteed funding level.

A district may receive $250 per student from the federal government for a full impact child. Under the new federal law, this must be in addition to all state funds. For example, one school district may normally collect only $70 per child in local taxes, and then receive the balance of the guaranteed amount from state aid. For 1968-69, this guaranteed amount is $368. To then receive an additional $250 per impact child on top of this is an illogical utilization of both state and federal funds.

In a state where the bulk of school districts' operational monies come from the local communities it would be unfair for the state to take these federal funds into consideration in any equalization formula or foundation program. In Washington, however, we have historically supported the public schools at a substantially high level with state funds. We now rank fourth among all states in state support of local schools.

The 1967 federal law amendments do not take into consideration the vast differences between the states and the ways in which they support their public schools. I have asked members of our Congressional delegation to ask Congress to recede from the extreme position of the 1967 amendments so that the federal law will not unnecessarily penalize Washington and the other states which provide significant support for schools at the state level. The federal funds are designed to compensate the local school district for a lack of taxable property. The state program accomplishes the same purpose. If we are to provide adequate education for all of our students, no school district in our state ought to be permitted to benefit twice from the same lack of nontaxable property.

In the meantime, it is necessary to comply with the new federal law if Washington school districts are to receive Public Law 874 funds. Under current law, state support for common schools must be reduced by 85 percent of these funds received from the federal government. The first part of Engrossed Senate Bill 33 eliminates from the revised code of Washington a specific provision requiring that these federal funds be considered as a local revenue in determining state school support.

Under current law, the superintendent of public instruction is also given the discretion to deduct 85 percent of other available revenues of a school district from the total amount that the state guarantees to local school districts for operational support.
The second part of Engrossed Senate Bill 33 states flatly that Public Law 874 funds may never be considered by the state to be available revenues of local school districts. This second provision in the act is not necessary to qualify local districts for federal impact funds.

If the bill becomes law in this form, the superintendent of public instruction could not take into consideration federal impact funds in allocating state support for local schools, even if Congress should recede from its position in accordance with our request and with the request of other states similarly affected.

I have vetoed this second item in order that the superintendent may consider Public Law 874 funds as local revenue in determining state school support in the event that Congress should act in accordance with our request. I have also vetoed the companion provision in Part II of the bill.

The remainder of Engrossed Senate Bill 33 is approved."

AN ACT Relating to revenue and taxation; amending section 82.40.040, chapter 15, Laws of 1961 and RCW 82.40.040; amending section 82.40.046, chapter 15, Laws of 1961 and RCW 82.40.046; amending section 82.40.050, chapter 15, Laws of 1961, as amended by section 1, chapter 33, Laws of 1965 ex. sess., and RCW 82.40-.050; amending section 6, chapter 10, Laws of 1967 ex. sess. and RCW 82.42.060; and amending section 82.44.070, chapter 15, Laws of 1961 and RCW 82.44.070.

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

Section 1. Section 82.40.040, chapter 15, Laws of 1961 and RCW 82.40.040 are each amended to read as follows:

The excise tax imposed hereunder with respect to the use of fuel during any calendar month shall be due and payable on or before the twentieth day of the immediately succeeding calendar month; PROVIDED, That for good cause shown the director may allow quarterly payments; however, with respect to delivery into the fuel supply tank