

within the district and, thereafter, such chairman shall represent such superintendents in matters of concern to the intermediate school district.

NEW SECTION. Sec. 3. Whenever any board of county commissioners, prior to the effective date of this 1970 amendatory act, has paid to an intermediate school district not less than the amount required under section 18, chapter 176, Laws of 1969 ex. sess., and in addition thereto, has paid the salary of a county or intermediate district superintendent as required under section 7 of said act, moneys paid for such salary shall be an obligation owed by the intermediate school district to the board of county commissioners concerned and reimbursement shall be made to such board by the intermediate school district as soon as practicable hereafter.

NEW SECTION. Sec. 4. Sections 1, 3, 4 and 5 of this 1970 amendatory act are 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.

NEW SECTION. Sec. 5. Notwithstanding any other provision of this 1970 amendatory act, section 1 hereof shall only be effective until chapter 223, Laws of 1969 ex. sess. shall take effect, upon which date section 1 hereof shall be void and of no effect and section 2 of this act shall become effective.

Passed the House February 7, 1970
Passed the Senate February 5, 1970
Approved by the Governor February 23, 1970
Filed in Office of Secretary of State February 24, 1970

CHAPTER 85
[Engrossed House Bill No. 304]
PUGET SOUND FERRIES,
TRANSPORTATION FACILITIES--FINANCING--STUDY

AN ACT Relating to toll facilities and the financing thereof; amending section 82.36.020, chapter 15, Laws of 1961 as last amended by section 75, chapter 145, Laws of 1967 ex. sess. and RCW 82.36.020; amending section 46.68.100, chapter 12, Laws of

1961 as last amended by section 79, chapter 145, Laws of 1967 ex. sess. and RCW 46.68.100; amending section 19, chapter 7, Laws of 1961 ex. sess. and RCW 47.60.360; amending section 47-.60.170, chapter 13, Laws of 1961 and RCW 47.60.170; making an appropriation; declaring an emergency and providing an effective date.

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

NEW SECTION. Section 1. (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 Washington state highway commission is authorized:

(a) To apply to the Secretary of Transportation for a financial grant to assist the state to acquire urgently needed ferries.

(b) To enter into an agreement with the 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 such agreement the Washington state highway commission may pledge any moneys in the Puget Sound capital construction account in the motor vehicle fund or any moneys to be deposited in said account for the purpose of paying the state's share of the cost of acquiring ferries. To the extent of such pledge the commission shall use the moneys available in the Puget Sound capital construction account to meet such obligations as they arise.

NEW SECTION. Sec. 2. 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 state highway commission exclusively for improving the Washington state ferry system or constructing or improving transportation facilities for

the crossing of Puget Sound and any of its tributary waters.

Sec. 3. Section 82.36.020, chapter 15, Laws of 1961 as last amended by section 75, chapter 145, Laws of 1967 ex. sess. and RCW 82.36.020 are each amended to read as follows:

Every distributor shall pay, in addition to any other taxes provided by law, an excise tax to the director of nine cents for each gallon of motor vehicle fuel sold, distributed, or used by him in the state as well as on each gallon upon which he has assumed liability for payment of the tax under the provisions of RCW 82.36.100: PROVIDED, That under such regulations as the director may prescribe sales or distribution of motor vehicle fuel may be made by one licensed distributor to another licensed distributor free of the tax. In the computation of the tax, one-quarter of one percent of the net gallonage otherwise taxable shall be deducted by the distributor before computing the tax due, on account of the losses sustained through handling. The tax herein imposed shall be collected and paid to the state but once in respect to any motor vehicle fuel. An invoice shall be rendered by a distributor to a purchaser for each distribution of motor vehicle fuel.

The proceeds of the nine cents excise tax collected on the net gallonage after the deduction provided for herein shall be distributed as follows:

(1) Seven cents shall be distributed between the state, cities, and counties under the provisions of RCW 46.68.090 and 46.68.100 (~~(as amended in section 8 of this 1967 amendatory act)~~): PROVIDED, That from the effective date of this act through June 30, 1976, six and seven-eighths cents shall be distributed between the state, cities, and counties under the provisions of RCW 46.68.090 and 46.68.100.

(2) Five-eighths of one cent shall be distributed to the state and expended pursuant to (~~section 9 of this 1967 amendatory act~~) RCW 46.68.150.

(3) Five-eighths of one cent shall be paid into the motor vehicle fund and credited to the urban arterial trust account created by

~~((section 14 of this 1967 amendatory act))~~ RCW 47.26.080.

(4) One-quarter cent shall be paid into the motor vehicle fund and credited to the Puget Sound reserve account created by RCW 47.60.350: PROVIDED, That from the effective date of this 1970 amendatory act through June 30, 1976, three-eighths of one cent shall be paid into the motor vehicle fund and credited to the Puget Sound reserve account created by RCW 47.60.350.

(5) One-half cent shall be distributed to the cities and towns directly and allocated between them as provided by RCW 46.68.110, subject to the provisions of RCW 35.76.050: PROVIDED, That the funds allocated to a city or town which are attributable to such one-half cent of the additional tax imposed by this 1961 amendatory act shall be used exclusively for the construction, improvement and repair of arterial highways as that term is defined in RCW 46.04.030, or for the payment of any municipal indebtedness which may be incurred after June 12, 1963 in the construction, improvement and repair of arterial highways as that term is defined in RCW 46.04.030. All such sums shall first be subject to proper deductions for refunds and costs of collection as provided in RCW 46.68.090.

Sec. 4. Section 46.68.100, chapter 12, Laws of 1961 as last amended by section 79, chapter 145, Laws of 1967 ex. sess. 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 sums as follows:

(1) To the cities and towns of the state sums equal to ten and four-tenths percent of the net tax amount to be paid monthly as the same accrues: PROVIDED, That from the effective date of this 1970 amendatory act through June 30, 1976, there shall be paid to the cities and towns of the state sums equal to ten and fifty-nine hundredths percent of the net tax amount to be paid monthly as the same accrues;

(2) To the counties of the state sums equal to thirty-two and five-tenths percent of the net tax amount to be paid monthly as the same accrues: PROVIDED, That from the effective date of this 1970

amendatory act through June 30, 1976, to the counties of the state there shall be paid sums equal to thirty-three and nine hundredths percent of the net tax amount to be paid monthly as the same accrues;

(3) To the state to be expended as provided by RCW 46.68.130, sums equal to fifty-seven and one-tenth percent of the net tax amount to be paid monthly as the same accrues: PROVIDED, That from the effective date of this 1970 amendatory act through June 30, 1976, to the state there shall be paid to be expended as provided by RCW 46-.68.130, sums equal to fifty-six and thirty-two hundredths percent of the net tax amount to be paid monthly as the same accrues.

Nothing in this section or in RCW 46.68.090 or 46.68.130 shall 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 vehicle (~~(funds)~~) fuels.

Sec. 5. Section 19, chapter 7, Laws of 1961 ex. sess. and RCW 47.60.360 are each amended to read as follows:

Whenever the total balance in the Puget Sound reserve account shall exceed one million dollars, a sum equal to such excess of one million dollars shall be transferred from the Puget Sound reserve account (~~((and-shall-be-expended-by-the-state-highway-commission-pursuant-to-proper-appropriation-or-reappropriation-for-state-highways-for-other-state-highway-commission-purposes-))~~) to the Puget Sound capital construction account of the motor vehicle fund.

Sec. 6. Section 47.60.170, chapter 13, Laws of 1961 and RCW 47.60.170 are each amended to read as follows:

Nothing in RCW 47.60.150 shall forbid the establishment by the authority of a Washington state ferries revolving fund of not to exceed (~~(three)~~) six hundred thousand dollars from the proceeds of any bonds sold under the provisions of this chapter. Such fund may be deposited by the authority in such banks or financial institutions as it may select throughout the state. The provisions of RCW 43.01.050 shall not be applicable to such fund or any deposits therein made by

the authority under the provisions of this section. The authority may deposit thereafter therein all moneys received under the provisions of this chapter. All expenses whatsoever arising in the operations of the Puget Sound ferry system shall be paid from such fund if established by check or voucher in such manner as may be prescribed by the authority.

All moneys received by the authority or any employee under the foregoing sections of this chapter, except an amount of petty cash for each day's needs as fixed by the regulation of the authority, shall be each day and as often during such day as advisable, deposited in the nearest authorized depository selected by the authority under the terms of this section.

Whenever the fund shall exceed (~~three~~) six hundred thousand dollars, the authority shall forthwith transmit such excess to the state treasurer for deposit in the trust fund established by RCW 47-.60.150.

NEW SECTION. Sec. 7. There is hereby appropriated from the Puget Sound capital construction account in the motor vehicle fund to the Washington state highway commission for the biennium ending June 30, 1971, the sum of six million five hundred thousand dollars for the acquisition of additional ferries: PROVIDED, That the state highway commission shall issue design and performance specifications calling for design, construct and performance bids and shall report their progress with the same to the joint committee on highways before entering into any other contracts for design of said ferries.

NEW SECTION. Sec. 8. The joint committee on highways is directed to study alternative methods of financing the construction of ferries, terminals and other cross-sound transportation facilities after July 1, 1973, and report its recommendations to the 1973 legislature as to whether or not the additional one-eighth cent of motor vehicle fuel taxes allocated by this 1970 amendatory act for capital construction of ferries and terminal facilities may be restored to the motor vehicle fund to be used for state highway purposes.

The 1973 legislature, upon receiving the recommendations of the joint committee on highways shall reexamine the program for financing the construction of ferries, terminals and other cross-sound transportation facilities as contained in this 1970 amendatory act.

NEW SECTION. Sec. 9. This 1970 amendatory 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 April 1, 1970.

Passed the House February 7, 1970

Passed the Senate February 5, 1970

Approved by the Governor February 23, 1970, with the exception of the proviso in section 7, which is vetoed.

Filed in Office of Secretary of State February 24, 1970

NOTE: Governor's explanation of partial veto is as follows:

"...This bill dedicates gasoline tax funds for the construction of six new 172-car ferries to be added to the Washington State Ferry fleet during the next ten years. It provides a construction method of paying for the new ferries as each new vessel is completed, therefore saving nearly \$50 million in the next ten years over the cost of acquiring ferries through bond financing.

In section 7 of the bill, the legislature appropriates \$6,500,000 for this biennium which presumably will be used primarily for the construction of the first new vessel.

A Senate committee amendment to the bill requires that the highway commission issue design and performance specifications calling for "design, construct and performance bids", and that before proceeding the commission must report to the Joint Committee on Highways.

This amendment requires a full-scale design competition in place of the usual procedure of preparing contract plans and specifications issued by the state on which shipyards may submit competitive bids. A serious question has been raised as to whether this method of procurement is suitable for procuring ferries. There are only three shipyards in the country that have built vessels similar to the 172-car ferries contemplated for use in state waters. Since design costs are substantial, if design competition is mandated, it is questionable how many firms can compete.

Further, it is questionable whether design competition as a method of procurement is one which will procure for the state the most suitable vessels for the dollars invested. The objectives of a professional naval architect employed by a purchaser are somewhat different than those

of a shipyard architect designing for a construction bid to be submitted by the shipyard. The professional naval architect employed by the purchaser should design for his client the most suitable vessel possible giving consideration to construction costs and suitability for intended service and performance. The shipyard architect often has the objective of designing vessels which can be built for the lowest estimated proposal price.

My veto does not prevent design competition as called for by the Senate amendment, but the veto will leave the Highway Department free to determine whether and to what extent design competition is appropriate. Designing and purchasing vessels is properly a function of the Highway Department in cooperation with the Toll Bridge Authority.

The citizens of the State of Washington are best served if the legislature establishes the broad policy and enacts the laws which the executive branches of government are then responsible for administering and enforcing. I do not criticize the interest of the members of the Joint Committee in obtaining the best design for the new vessels to be added to the Washington State Ferry fleet. However, this function has been properly assigned to the Highway Department and the Toll Bridge Authority.

It is the separation of powers among the legislative, executive and judicial branches that fosters the most effective government.

The remainder of House Bill No. 304 is approved."

CHAPTER 86
[Engrossed House Bill No. 13]
SCHOOL DISTRICTS--REIMBURSEMENT FACTOR--
DEPOPULATED DISTRICTS, DISSOLUTION AND ANNEXATION

AN ACT Relating to education; amending section 18, chapter 266, Laws of 1947 as amended by section 58, chapter 176, Laws of 1969 ex. sess. and RCW 28.57.200; amending section 28A.57.200, chapter 223, Laws of 1969 ex. sess. as amended by section 130, chapter 176, Laws of 1969 ex. sess. and RCW 28A.57.200; suspending a proviso; declaring an emergency; making certain effective dates; and providing for the expiration of a section hereof.

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

NEW SECTION. Section 1. That portion of the proviso con-