government and its existing public institutions, and shall take effect August 1, 1982.

Passed the House June 27, 1982.
Passed the Senate June 27, 1982.
Approved by the Governor July 16, 1982.
Filed in Office of Secretary of State July 16, 1982.

CHAPTER 6
[House Bill No. 1247]
ECONOMIC ASSISTANCE ACT—INVESTMENT TAX DEFERRAL MODIFIED

AN ACT Relating to termination of certain excise tax exemptions and deferrals; amending section 16, chapter 117, Laws of 1972 ex. sess. and RCW 43.31A.160; and creating a new section.

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

Section 1. Section 16, chapter 117, Laws of 1972 ex. sess and RCW 43.31A.160 are each amended to read as follows:

The department of revenue shall conduct an audit of the project upon its completion in order to determine the total amount of tax deferral. Any tax found due on nonqualifying construction or purchases shall be immediately assessed and payable. The manufacturing firm will begin paying the deferred taxes on December 31st of the calendar year in which the construction project has been certified as operationally completed, ((three years after the date certified by the authority as the date on which the construction project has been operationally completed. The first payment will be due on December 31st of the third calendar year after such certified date,)) with subsequent annual payments due on December 31st of the following four years with amounts of payment scheduled as follows:

<table>
<thead>
<tr>
<th>REPAYMENT YEAR</th>
<th>PERCENT OF DEFERRED TAX REPAID</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>10%</td>
</tr>
<tr>
<td>2</td>
<td>15%</td>
</tr>
<tr>
<td>3</td>
<td>20%</td>
</tr>
<tr>
<td>4</td>
<td>25%</td>
</tr>
<tr>
<td>5</td>
<td>30%</td>
</tr>
</tbody>
</table>

If the construction project has been certified as operationally completed prior to the effective date of this 1982 act but repayment has not yet begun for the project, then the manufacturing firm will begin paying the deferred taxes on December 31, 1982 pursuant to the schedule provided in this section.
NEW SECTION. Sec. 2. The department of revenue shall amend any investment tax deferral certificates to conform with this 1982 act.

Passed the House June 27, 1982.
Passed the Senate June 27, 1982.
Approved by the Governor July 16, 1982.
Filed in Office of Secretary of State July 16, 1982.

CHAPTER 7
[House Bill No. 1251]
STATE LOTTERY

AN ACT Relating to the establishment and operation of a state lottery; creating new sections; adding a new chapter to Title 67 RCW; adding a new section to chapter 9.46 RCW; providing an expiration date; providing penalties; making appropriations; and declaring an emergency.

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

NEW SECTION. Section 1. For the purposes of this chapter:
(1) "Commission" means the state lottery commission established by this chapter;
(2) "Lottery" or "state lottery" means the lottery established and operated pursuant to this chapter;
(3) "Director" means the director of the state lottery commission established by this chapter.

NEW SECTION. Sec. 2. The state gambling commission shall provide such services as are required by the state lottery commission to implement the provisions of this chapter. However, the costs of such services shall be paid for from moneys placed within the revolving fund created by section 26 of this act.

NEW SECTION. Sec. 3. There is created the state lottery commission to consist of five members appointed by the governor with the consent of the senate. Of the initial members, one shall serve a term of two years, one shall serve a term of three years, one shall serve a term of four years, one shall serve a term of five years, and one shall serve a term of six years. Their successors, all of whom shall be citizen members appointed by the governor with the consent of the senate, upon being appointed and qualified, shall serve six-year terms. No member of the commission who has served a full six-year term is eligible for reappointment. In case of a vacancy, it shall be filled by appointment by the governor for the unexpired portion of the term in which the vacancy occurs.

The governor shall designate one member of the commission to serve as chairman at the governor's pleasure.

A majority of the members shall constitute a quorum for the transaction of business.

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