

CHAPTER 392

[House Bill No. 1778]

NONPROFIT TRADE AND PROFESSIONAL ORGANIZATIONS—TRADE SHOW EXPENSES—BUSINESS AND OCCUPATION TAX DEDUCTION

AN ACT Relating to the business and occupation tax on nonprofit trade and professional organizations for convention, educational seminar, and trade show registration income; amending RCW 82.04.4282; and providing an effective date.

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

Sec. 1. Section 3, chapter 37, Laws of 1980 and RCW 82.04.4282 are each amended to read as follows:

In computing tax there may be deducted from the measure of tax amounts derived from (1) bona fide initiation fees, (2) dues, (3) contributions, (4) donations, (5) tuition fees, (6) charges made by a nonprofit trade or professional organization for attending or occupying space at a trade show, convention, or educational seminar sponsored by the nonprofit trade or professional organization, which trade show, convention, or educational seminar is not open to the general public, (7) charges made for operation of privately operated kindergartens, and (8) 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. If dues are in exchange for any significant amount of goods or services rendered by the recipient thereof to members without any additional charge to the member, or if the dues are graduated upon the amount of goods or services rendered, the value of such goods or services shall not be considered as a deduction hereunder.

****NEW SECTION. Sec. 2. This act shall take effect July 1, 1991.***

*Sec. 2 was vetoed, see message at end of chapter.

Passed the House April 18, 1989.

Passed the Senate April 13, 1989.

Approved by the Governor May 13, 1989, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State May 13, 1989.

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

"I am returning herewith, without my approval as to section 2, Engrossed House Bill No. 1778 entitled:

"AN ACT Relating to the business and occupation tax on nonprofit trade and professional organizations for convention, educational seminar and trade show registration income."

Engrossed House Bill No. 1778 creates a specific exemption for income received by nonprofit organizations for trade shows and educational seminars. No other state besides Washington treats this type of income in the way that our current law does.

This creates a competitive disadvantage for these organizations and entities operating facilities which host these events.

Section 2 would make the provisions of section 1 effective on July 1, 1991. In making changes that affect the state's revenues, it is sound public policy to recognize the effect of the changes in the same biennium that the legislation is passed. Where possible, these costs should not be pushed forward into future biennia.

With the exception of section 2, Engrossed House Bill No. 1778 is approved.*

CHAPTER 393

[Second Substitute Senate Bill No. 5372]

BOATING—SEWAGE DISPOSAL, ENVIRONMENTAL EDUCATION AND PROTECTION, AND PUBLIC ACCESS TO WATERWAYS

AN ACT Relating to recreational boating; amending RCW 82.49.030, 88.02.040, and 88.02.030; adding a new section to chapter 75.10 RCW; adding a new chapter to Title 88 RCW; and creating new sections.

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

NEW SECTION. Sec. 1. The legislature finds that the waters of Washington state provide a unique and valuable recreational resource to large and growing numbers of boaters. Proper stewardship of, and respect for, these waters requires that, while enjoying them for their scenic and recreational benefits, boaters must exercise care to assure that such activities do not contribute to the despoliation of these waters, and that watercraft be operated in a safe and responsible manner. The legislature has specifically addressed the topic of access to clean and safe waterways by requiring the 1987 boating safety study and by establishing the Puget Sound water quality authority.

The legislature finds that there is a need to educate Washington's boating community about safe and responsible actions on our waters and to increase the level and visibility of the enforcement of boating laws. To address the incidence of fatalities and injuries due to recreational boating on our state's waters, local and state efforts directed towards safe boating must be stimulated. To provide for safe waterways and public enjoyment, portions of the watercraft excise tax and boat registration fees should be made available for boating safety and other boating recreation purposes.

In recognition of the need for clean waterways, and in keeping with the Puget Sound water quality authority's 1987 management plan, the legislature finds that adequate opportunities for responsible disposal of boat sewage must be made available. There is hereby established a five-year initiative to install sewage pumpout or sewage dump stations at appropriate marinas.

To assure the use of these sewage facilities, a boater environmental education program must accompany the five-year initiative and continue to educate boaters about boat wastes and aquatic resources.