

Section 3 requires each licensee to pay an additional one percent of the gross receipts of parimutuel machines to the licensed owners of horses finishing first through fourth in Washington bred only races, excluding stake races. The section does not apply to non-profit race meets or those of less than six days or having a total annual handle of less than \$200,000. Licensees may not take into consideration the additional one percent in establishing purses for Washington bred only races.

The purpose of this section is to encourage the breeding and racing of race horses within the State of Washington. Confining the benefits of this section to Washington bred only races and excluding the winners of stake races from the benefits of this section creates an unduly large purse for a small segment of owners, and fails to recognize the accomplishments of outstanding Washington breeders.

I have therefore vetoed the item limiting the benefits of the one percent collected under this section to licensed owners of winners of Washington bred only races and excluding winners of Washington bred only stake races and the corresponding reference in the following sentence of the section referring to Washington bred only races.

My veto does not limit the purpose of the act which is to encourage Washington horse breeding and the racing of Washington horses within the boundaries of our state.

With the exceptions of the items in Section 3 which I have vetoed for the reasons stated, the remainder of Engrossed Senate Bill 624 is approved."

CHAPTER 234
[Engrossed Senate Bill No. 744]
EXECUTIVE CONFLICT OF INTEREST ACT

AN ACT Relating to state government; prescribing restrictions against conflicts of interest in the executive branch thereof; adding a new chapter to Title 42 RCW; adding a new section to chapter 42.21 RCW; adding a new section to chapter 42.22 RCW; amending section 82, chapter 249, Laws of 1909 and RCW 42.20.010; amending section 96, chapter 72, Laws of 1937 and RCW 86.09-.286; repealing section 16, page 256, Laws of 1909 and RCW 28.81.130; repealing section 28B.40.125, chapter ..., Laws of 1969 (HB 58) and RCW 28B.40.125; repealing section 43.23.140,

chapter 8, Laws of 1965 and RCW 43.23.140; repealing section 72.08.140, chapter 28, Laws of 1959 and RCW 72.08.140; repealing section 72.08.150, chapter 28, Laws of 1959 and RCW 72.08.150; and providing penalties.

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

NEW SECTION. Section 1. It is the policy and purpose of this act to promote and balance the dual objectives of protecting the integrity of the government of the state of Washington and of facilitating the recruitment and retention of the personnel needed by the state, by prescribing essential restrictions against conflicts of interest in the executive branch of the state government without creating unnecessary barriers to public service.

NEW SECTION. Sec. 2. Unless the context clearly requires otherwise, for purposes of this 1969 amendatory act, the terms defined in sections 3 to 15 thereof shall have the meanings therein set forth.

NEW SECTION. Sec. 3. "Agency" means:

- (1) The office of the governor.
- (2) Any office, department, board, commission, or other separate unit or division, however designated, of the state government, together with all personnel thereof:
 - (a) Upon which the statutes confer powers and impose duties in connection with operations of either a governmental or proprietary nature; and
 - (b) That has as its chief executive officer a person or combination of persons such as a commission, board, or council, by law empowered to operate it, responsible either to (i) no other public officer or (ii) the governor.

NEW SECTION. Sec. 4. "Agency head" and "head of agency" mean the chief executive officer of an agency, who shall be the chairman in the case of an independent establishment which is a commission, board, or committee.

NEW SECTION. Sec. 5. "Assist" means to act, or offer or a-

gree to act, in such a way as to help, aid, advise, furnish information to, or otherwise provide assistance to another person, believing that such action is of help, aid, advice, or assistance to such person and with intent so to assist such person.

NEW SECTION. Sec. 6. "Compensation" means anything of economic value, however designated, which is paid, loaned, granted, or transferred, or to be paid, loaned, granted, or transferred for, or in consideration of, personal services to any person.

NEW SECTION. Sec. 7. "Intermittent state employee" means any state employee, as defined in section 13 of this 1969 amendatory act, who has performed services as such employee on not more than fifty-two working days (which shall not include Saturdays, Sundays, and holidays) out of the preceding three hundred and sixty-five calendar days: PROVIDED, That:

(1) A reserve of the Washington National Guard, unless otherwise a regular state employee, shall be classified as an intermittent state employee for purposes of this 1969 amendatory act while on active duty solely for training irrespective of the number of days of such training;

(2) Irrespective of the fact he has performed services on less than fifty-two working days, a state employee shall be deemed a regular state employee and not an intermittent state employee, if:

(a) He was appointed to a position calling for regular and continuing full time services; and

(b) His appointment did not evidence an intent that his services would be for a period of less than one hundred and thirty working days in the three hundred and sixty-five calendar day period following such appointment.

An intermittent state employee shall be in such status on days on which he performs no services as well as days on which he performs services.

NEW SECTION. Sec. 8. "Participate," in connection with a transaction involving the state, means to participate in state action

or a proceeding personally and substantially as a state employee, through approval, disapproval, decision, recommendation, the rendering of advice, investigation, or otherwise.

NEW SECTION. Sec. 9. "Person" means any individual, partnership, association, corporation, firm, institution, or other entity, whether or not operated for profit.

NEW SECTION. Sec. 10. "Regular state employee" means any state employee other than an intermittent state employee as defined in section 7 of this 1969 amendatory act.

NEW SECTION. Sec. 11. "Responsibility" in connection with a transaction involving the state, means the direct administrative or operating authority, whether intermediate or final, and either exercisable alone or through subordinates, effectively to approve, disapprove, or otherwise direct state action in respect of such transaction.

NEW SECTION. Sec. 12. "State action" means any action on the part of an agency, including, but not limited to:

(1) Any decision, determination, finding, ruling, or order;
and

(2) Any grant, payment, award, license, contract, transaction, sanction, or approval, or the denial thereof, or failure to act with respect thereto.

NEW SECTION. Sec. 13. "State employee" means any individual who is appointed by an agency head, as defined in section 4 of this 1969 amendatory act, or his designee, and serves under the supervision and authority of an agency as defined in section 3 of this 1969 amendatory act.

Notwithstanding the foregoing, the term "state employee" shall not include any of the following:

(1) Officers and employees in the legislative and judicial branches of the state of Washington; and

(2) A reserve of the Washington National Guard, when he is not on active duty and is not otherwise a state employee.

An individual shall not be deemed an employee solely by reason of his being subject to recall to active service.

Every state employee shall be deemed either "intermittent" or "regular" as determined by the definitions contained in sections 7 and 10 respectively, of this 1969 amendatory act.

NEW SECTION. Sec. 14. "Thing of economic value" includes:

(1) Any loan, property interest, interest in a contract or other chose in action, and any employment or other arrangement involving a right to compensation;

(2) Any option, irrespective of the conditions to the exercise of such option; and

(3) Any promise or undertaking for the present or future delivery or procurement.

In the case of an option, promise, or undertaking, the time of receipt of the thing of economic value shall be deemed to be, respectively, the time the option becomes fixed, regardless of the conditions of its exercise, and the time the promise of undertaking is made, regardless of the condition to its performance.

NEW SECTION. Sec. 15. "Transaction involving the state" means any proceeding, application, submission, request for a ruling or other determination, contract, claim, case, or other such particular matter which the state employee or former state employee in question believes, or has reason to believe:

(1) Is, or will be, the subject of state action; or

(2) Is one to which the state is or will be a party; or

(3) Is one in which the state has a direct and substantial proprietary interest.

NEW SECTION. Sec. 16. (1) No state employee shall participate in a transaction involving the state in the consequences of which he has a substantial economic interest of which he may reasonably be expected to know.

(2) No state employee shall participate in a transaction involving the state in the consequences of which, to his actual know-

ledge, any of the following persons has a direct and substantial economic interest:

- (a) His spouse or child; or
- (b) Any person in which he has a substantial economic interest of which he may reasonably be expected to know; or
- (c) Any person of which he is an officer, director, trustee, partner, or employee; or
- (d) Any person with whom he is negotiating or has any arrangement concerning prospective employment; or
- (e) Any person who is a party to an existing contract with such state employee or an obligee of such state employee as to a thing of economic value and who, by reason thereof, is in a position to affect directly and substantially such employee's economic interests.

(3) Every state employee shall disqualify himself from participating in a transaction involving the state when a violation of subsection (1) or (2) would otherwise result. The procedures for such disqualification shall be established by regulations issued pursuant to section 24 of this 1969 amendatory act.

(4) The term "substantial economic interest" may be defined by regulations issued by the governor pursuant to section 24 of this 1969 amendatory act but shall not include:

- (a) The interest of a state employee in his grade, salary, or other matters arising solely from his state employment;
- (b) The interest of a state employee or of a person referred to in subsection (2) solely as a member of the general public; or of any significant economic or any other segment of the general public.

(5) If the public interest so requires, the governor may issue an order suspending the operation of subsections (1) and (2), in whole or in part, as to a particular employee in a specified transaction involving the state, by expressing the suspension and the reasons for it in writing. The writing shall be filed with the secretary of state and shall be open to public inspection.

NEW SECTION. Sec. 17. (1) Except in the course of his official duties or incident thereto, no state employee shall assist another person, whether or not for compensation, in any transaction involving the state:

(a) In which he has at any time participated; or

(b) If such transaction involving the state is or has been under his official responsibility at any time within a period of two years preceding such assistance.

(2) No state employee shall share in any compensation received by another for assistance which such state employee is prohibited from rendering pursuant to subsection (1) or (2).

(3) No partnership of which a state employee is a partner, and no partner or employee of such a partnership, shall assist another person in any transaction involving the state if such state employee is prohibited from doing so by subsection (1).

NEW SECTION. Sec. 18. (1) Nothing in this 1969 amendatory act shall prevent a state employee, subject to conditions or limitations set forth in regulations issued pursuant to section 24 of this 1969 amendatory act from assisting, in a transaction involving the state:

(a) His parent, spouse, or child, or any child thereof for whom he is serving as guardian, executor, administrator, trustee, or other personal fiduciary;

(b) A person other than his parent, spouse, or child for whom he is serving as guardian, executor, administrator, trustee, or other personal fiduciary; or

(c) Another state employee involved in disciplinary or other personnel administration proceedings;

(d) In the case of clauses (a) and (b), such state employee shall not have at any time participated in such transaction, nor, in the case of clause (b), shall such transaction have been under his official responsibility; and

V. _____ (e) In a case in which clauses (a), (b), and (c) are appli-

cable, the circumstances of assistance shall be disclosed to the head of the employee's agency and approved by him in advance of the assistance.

(2) Nothing in this 1969 amendatory act shall prevent a state employee from giving testimony under oath or from making statements required to be made under penalty of perjury or contempt.

NEW SECTION. Sec. 19. (1) No regular state employee shall receive anything of economic value (other than his compensation from the state of Washington) for or in consideration of his personal services rendered, or to be rendered, to or for any person during the term of his state employment unless such services meet each of the following qualifications:

(a) The services are bona fide and actually performed by such employee;

(b) The services are not within the course of his official duties;

(c) The services are not prohibited by section 17 of this 1969 amendatory act or by applicable laws or regulations governing nonstate employment for such employee; and

(d) The services are neither performed for nor compensated by any person from whom such employee would be prohibited by section 20(b) of this 1969 amendatory act from receiving a gift, or, alternatively, the services and compensation are fully disclosed in writing to the head of the employee's agency and are approved in writing by him.

(2) Nothing contained in this section shall prevent a state employee from receiving compensation contributed out of the treasury of the United States, any other state, or any county, or municipality if:

(a) The compensation is received pursuant to arrangements entered into between such state, county, municipality, or the United States and such employee's agency; or

(b) The compensation and the services for which it is re-

ceived are fully disclosed in writing to the head of the employee's agency and are approved in writing by him.

(3) Travel and related expenses received other than from the state of Washington shall be deemed to be for or in consideration of personal service rendered to or for a person only to the extent provided in regulations issued pursuant to section 10 of this 1969 amendatory act.

(4) Exceptions to the provisions of this section may be made by regulations issued pursuant to section 24 of this 1969 amendatory act in situations where the circumstances do not lead to the inference that the official judgment or action of the state employee receiving, directly or indirectly, the gift, gratuity, or favor was intended to be influenced thereby.

(5) For purposes of this section 19 the term "regular state employee" shall not include any state employee who, in accordance with the terms of his appointment, is serving without compensation from the state of Washington or is receiving from the state only reimbursement of expenses incurred or a predetermined allowance for such expenses.

NEW SECTION. Sec. 20. (1) No state employee shall receive, accept, take, seek, or solicit, directly or indirectly, any thing of economic value as a gift, gratuity, or favor from any person if such state employee has reason to believe the donor would not give the gift, gratuity, or favor but for such employee's office or position with the state.

(2) No regular state employee shall receive, accept, take, seek, or solicit, directly or indirectly, any thing of economic value as a gift, gratuity, or favor from any person, or from any officer or director of such person, if such state employee has reason to believe such person:

(a) Has or is seeking to obtain contractual or other business or financial relationships with such employee's agency; or

(b) Conducts operations or activities which are regulated by

such employee's agency; or

(c) Has interests which may be substantially affected by such employee's performance or nonperformance of official duty.

(3) Exceptions to the provisions of this section may be made by regulations issued pursuant to section 24 of this 1969 amendatory act in situations where the circumstances do not lead to the inference that the official judgment or action of the state employee receiving, directly or indirectly, the gift, gratuity, or favor was intended to be influenced thereby.

NEW SECTION. Sec. 21. Except in the course of his official duties or incident thereto, no state employee shall, in his relationships with any person specified in the succeeding sentence, use the power or authority of his office or position with the state in a manner intended to induce or coerce such other person to provide such state employee or any other person with any thing of economic value, directly or indirectly. This section shall apply to relationships with any person or any officer or director of such person from whom such state employee, if he were a regular state employee, would be prohibited by section 20(b) of this 1969 amendatory act from receiving a gift.

NEW SECTION. Sec. 22. (1) No former state employee shall at any time subsequent to his state employment assist another person, whether or not for compensation, in any transaction involving the state in which he at any time participated during his state employment.

(2) No former state employee shall, within a period of two years after termination of employment with an agency, appear before such agency.

(3) No former state employee shall share in any compensation received by another person for assistance which such former state employee is prohibited from rendering by subsections (1) or (2).

(4) No partnership of which a former state employee is a partner, and no partner or employee of such a partnership, shall, for

a period of two years following the termination of his state employment, assist another person in any transaction involving the state in which such former state employee at any time participated during his state employment. For purposes of this subsection, the termination of the former state employee's employment with the agency by which he was employed when he so participated shall be deemed to be the termination of his state employment.

(5) The permitted exceptions applicable to state employees under section 18 of this 1969 amendatory act shall also be applicable to former state employees under this section, subject to conditions or limitations set forth in regulations issued pursuant to section 24 of this 1969 amendatory act.

NEW SECTION. Sec. 23. (1) No person shall give, pay, loan, transfer, or deliver, directly or indirectly, to any other person anything of economic value believing or having reason to believe that there exist circumstances making the receipt thereof a violation of sections 17, 19, and 22 of this 1969 amendatory act.

(2) No person shall give, transfer, or deliver, directly or indirectly, to a state employee, any thing of economic value as a gift, gratuity, or favor if either:

(a) Such person would not give the gift, gratuity, or favor but for such employee's office or position with the state; or

(b) Such person is in a status specified in clause (a), (b), or (c) of section 20(2) of this 1969 amendatory act.

Exceptions to this subsection (2) may be made by regulations issued pursuant to section 24 of this 1969 amendatory act in situations referred to in section 20(3) of this 1969 amendatory act.

NEW SECTION. Sec. 24. (1) Subject to the provisions of applicable laws, the governor shall be responsible for the establishment of appropriate standards to protect against actual or potential conflicts of interest on the part of state employees and for the administration and enforcement of this 1969 amendatory act and the regulations and orders issued hereunder.

(2) The governor may, and shall when required by this 1969 amendatory act, issue regulations carrying out the policies and purposes thereof. Such regulations shall take precedence over any regulations issued by agency heads pursuant to section 25 of this 1969 amendatory act.

(3) The governor shall have particular responsibility for the enforcement of this 1969 amendatory act as applied to employees of the office of the governor and to agency heads, and for this purpose the governor shall have all the powers of an agency head.

(4) The governor may conduct investigations of facts, condition or conditions, practices, or other matters in carrying out his responsibilities and powers under this section. In connection with any such investigation the governor shall have all the powers with respect to oaths, affirmations, subpoenas, and witnesses as are provided in section 27(2) of this 1969 amendatory act. The governor may delegate any or all of his powers under this subsection (4) to any officer designated by him, either generally or in particular instances.

NEW SECTION. Sec. 25. (1) Each agency head shall be responsible for the establishment of appropriate standards within his agency to protect against actual or potential conflicts of interest on the part of employees of his agency, and for the administration and enforcement within his agency of this act and the regulations and orders issued hereunder.

(2) Each agency head may, subject to the regulations issued by the governor under section 24(2) of this 1969 amendatory act issue regulations carrying out the policies and purposes of this act as applied to his agency. He shall file copies of all such regulations with the office of the governor.

NEW SECTION. Sec. 26. (1) The head of an agency may dismiss, suspend, or take such other action as may be appropriate in the circumstances in respect to any state employee of his agency upon finding that such employee has violated this 1969 amendatory act or

regulations promulgated hereunder. Such action may include the imposition of conditions of the nature described in section 27(1) of this 1969 amendatory act.

(2) The procedures for any such action shall correspond to those applicable for disciplinary action for employee misconduct generally; for those state employees not specifically exempted therein the rules set forth in the state civil service law, chapter 41.06 RCW, shall apply. Any action against the employee shall be subject to judicial review to the extent provided by law for disciplinary action for misconduct of employees of the same category and grade.

NEW SECTION. Sec. 27. (1) The head of an agency, upon finding that any former employee of such agency or any other person has violated any provision of this 1969 amendatory act, may, in addition to any other powers the head of such agency may have, bar or impose reasonable conditions upon:

(a) The appearance before such agency of such former employee or other person; and

(b) The conduct of, or negotiation or competition for, business with such agency by such former employee or other person, such period of time as may reasonably be necessary or appropriate to effectuate the purposes of this 1969 amendatory act.

(2) Findings of violations referred to in subsection (1)(b) shall be made on record after notice and hearing, conducted in accordance with the Washington Administrative Procedure Act, chapter 34.04 RCW. Such findings and orders are subject to judicial review.

NEW SECTION. Sec. 28. The governor may, in addition to any other available rights of rescission, bring an action in the superior court of Thurston county to cancel or rescind any state action without contractual liability to the state of Washington where:

(1) He has found that a violation of this act has substantially influenced such state action; and

(2) In his judgment the interests of the state of Washington so require under all of the circumstances, including the position of innocent third parties.

The findings referred to in subsection (1) shall be made in accordance with the procedures set forth in section 27(2) of this 1969 amendatory act shall be subject to judicial review: PROVIDED, That the governor may suspend state action pending the determination pursuant to this section of the merits of the controversy: PROVIDED FURTHER, That the court may permit persons affected by the governor's action to post an adequate bond pending such resolution to insure compliance by the defendant with the final judgment, decree, or other order of the court.

NEW SECTION. Sec. 29. The attorney general of the state of Washington may bring a civil action in the superior court of Thurston county against any state employee or former state employee who shall have acted to his economic advantage in violation of this 1969 amendatory act, and in such action may recover damages in an amount equal to the amount of such economic advantage on behalf of the state of Washington, in partial reimbursement of the state for its expenses of administering this 1969 amendatory act.

NEW SECTION. Sec. 30. The attorney general of the state of Washington may bring a civil action in the superior court of Thurston county to collect from any person who shall violate section 23 of this 1969 amendatory act a civil penalty of not more than five thousand dollars, in partial reimbursement of the state of Washington for its expenses of administering this 1969 amendatory act.

NEW SECTION. Sec. 31. Whenever the head of an agency, or the governor, exercises the authority conferred by sections 26, 27 or 28 of this 1969 amendatory act, copies of the findings and decision therein shall be filed with the governor and shall be made available for public inspection.

NEW SECTION. Sec. 32. No administrative or other action taken under sections 27, 28, 29 or 30 of this 1969 amendatory act, to enforce any provision of said act shall be commenced after the expiration of three years following the occurrence of the alleged violation.

NEW SECTION. Sec. 33. Nothing in this 1969 amendatory act

shall be interpreted to prevent a member of a board, committee, advisory commission, or other body required or permitted by statute to be appointed from any identifiable group or interest, from serving on such body in accordance with the intent of the legislature in establishing such body.

Sec. 34. Section 82, chapter 249, Laws of 1909 and RCW 42.20-.010 are each amended to read as follows:

Every public officer who shall --

(1) Ask or receive, directly or indirectly, any compensation, gratuity, or reward, or promise thereof, for omitting or deferring the performance of any official duty; or for any official service which has not been actually rendered, except in case of charges for prospective costs or fees demandable in advance in a case allowed by law; or

(2) Be beneficially interested, directly or indirectly, in any contract, sale, lease, or purchase which may be made by, through or under the supervision of such officer, in whole or in part, or which may be made for the benefit of his office, or accept, directly or indirectly, any compensation, gratuity, or reward from any other person beneficially interested therein; or

(3) Employ or use any person, money, or property under his official control or direction, or in his official custody, for the private benefit or gain of himself or another;

Shall be guilty of a gross misdemeanor, and any contract, sale, lease or purchase mentioned in subdivision (2) hereof shall be void: PROVIDED, That this section shall have no application to any person who is a state employee as defined in section 13 of the executive conflict of interest act of 1969.

Sec. 35. Section 96, chapter 72, Laws of 1937 and RCW 86.09-.286 are each amended to read as follows:

No director or any other officer named in this chapter shall in any manner be interested, directly or indirectly, in any contract awarded or to be awarded by the board, or in the profits to be deriv-

ed therefrom; and for any violation of this provision, such officer shall be deemed guilty of a misdemeanor, and such conviction shall work a forfeiture of his office, and he shall be punished by a fine not exceeding five hundred dollars, or by imprisonment in the county jail not exceeding six months, or by both fine and imprisonment: PROVIDED, That nothing in this section contained shall be construed to prevent any district officer from being employed by the district as foreman or as a day laborer: PROVIDED FURTHER, That this section shall have no application to any person who is a state employee as defined in section 13 of the executive conflict of interest act of 1969.

NEW SECTION. Sec. 36. There is added to chapter 42.21 RCW a new section to read as follows:

This chapter shall have no application to any person who is a state employee as defined in section 13 of the executive conflict of interest act of 1969.

NEW SECTION. Sec. 37. There is added to chapter 42.22 RCW a new section to read as follows:

This chapter shall have no application to any person who is a state employee as defined in section 13 of the executive conflict of interest act of 1969.

NEW SECTION. Sec. 38. The following acts or parts of acts are each repealed: Section 16, page 256, Laws of 1909 and RCW 28.81-.130; section 28B.40.125, chapter ..., Laws of 1969 (HB 58) and RCW 28B.40.125; section 43.23.140, chapter 8, Laws of 1965 and RCW 43.23-.140; section 72.08.140, chapter 28, Laws of 1959 and RCW 72.08.140; and section 72.08.150, chapter 28, Laws of 1959 and RCW 72.08.150.

NEW SECTION. Sec. 39. Any person knowingly and intentionally violating any provision of this 1969 amendatory act shall be guilty of a gross misdemeanor.

NEW SECTION. Sec. 40. This act shall be known and may be cited as the "Executive Conflict of Interest Act." Sections 1 through

33 and section 39 thereof shall constitute a new chapter in Title 42 RCW.

Passed the Senate April 3, 1969

Passed the House April 12, 1969

Approved by the Governor April 21, 1969, with the exception of an item in section 18 which is vetoed

Filed in office of Secretary of State May 14, 1969

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

"...It is the purpose of this act to prescribe essential restrictions against conflicts of interest in the executive branch of the state government without creating unnecessary barriers to public service. The act promotes the dual objectives of protecting the integrity of state government and facilitating the recruitment and retention of personnel.

Sections 1 through 15 contain the definitions essential to the clarity of the act. Section 16 prohibits state employees from participating in any transaction in which he or specified persons, including members of his immediate family, have a substantial economic interest. Section 20 prohibits state employees from accepting gifts from persons dealing with the state if the employee has reason to believe that the only reason for the gift is the state employee's position. Section 21 prohibits a state employee from coercing others into bestowing gifts. Section 22 repeats the existing statutory prohibition against a former state employee's appearing before his former agency for two years, and prohibits a former state employee from assisting another person in any transaction involving the state in which the former state employee personally participated as a state employee. These sections constitute the principal substantive provisions of the act.

Section 18 permits a state employee, under certain conditions, to assist specified persons, including his family and one whom he serves as a personal fiduciary, in transactions involving the state. This section requires that in such cases the state employee advise the head of his administrative agency of his interest and obtain the agency head's approval before the state employee may assist another in a transaction involving the state.

Section 18 also applies to employee relations to permit an employee to assist another employee in a disciplinary or other personnel administration proceeding. This provision promotes good relations with the state's employees and with recognized organizations representing employees. However, the section requires that the agency head approve before one employee may assist another in a personnel matter.

While it is important that any conflict with the state be disclosed, in my judgment, it is not in keeping with accepted concepts of management employee relations to permit an agency head to prohibit one employee from representing another employee in an administrative personnel matter. If this were to become the law, any agency head could prohibit a shop steward from representing an employee. I have therefore vetoed from section 18 the requirement that an employee obtain the approval of his agency head before assisting his fellow employee in a disciplinary or other personnel administration proceeding.

The remainder of Senate Bill 744 is approved."

CHAPTER 235
[Engrossed House Bill No. 893]
TEMPORARY SPECIAL LEVY STUDY COMMISSION

AN ACT Relating to revenue and taxation; creating a temporary special levy study commission and setting forth its powers and duties; providing an expiration date; and declaring an emergency.

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

NEW SECTION. Section 1. As used in this act, unless the context indicates otherwise, the following words and phrases shall have the following meaning:

(1) "Commission" means the temporary special levy study commission; and

(2) "Common schools" means schools maintained at public expense in school districts of the state and carrying on a program from kindergarten through the twelfth grade, or any part thereof, including vocational educational courses.

NEW SECTION. Sec. 2. The forty-first legislature has before it several proposals to reform the tax structure of the state. A primary goal of all such tax reform proposals is the reduction of property taxes attributable to special school district levies for maintenance and operation purposes and the replacement of these revenues with the proceeds of a state income tax. To properly accomplish this goal will require a detailed study of all factors affecting financing of the common schools of the state to assure that state tax revenues are applied in a manner to provide equal educational oppor-