

private carrier bus whenever but only whenever such vehicle is stopped on the highway for the purpose of receiving or discharging passengers, except:

(a) When the passengers boarding or alighting do not have to cross a highway and the bus is stopped completely off the main traveled portion of the roadway; or

(b) When the bus is stopped at an intersection or place where traffic is controlled by a traffic officer or official traffic control signal.

(3) The driver of a vehicle upon a highway divided into separate roadways as provided in RCW 46.61.150, need not stop upon meeting or passing a private carrier bus which is on a separate roadway or when upon a limited access highway and the private carrier bus is stopped in a loading zone which is a part of or adjacent to such highway and where pedestrians are not permitted to cross the roadway.

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 immediately.

Passed the House February 12, 1970

Passed the Senate February 12, 1970

Approved by the Governor February 20, 1970

Filed in Office of Secretary of State February 24, 1970

CHAPTER 101

[Engrossed Substitute House Bill No. 232]
TAXES--DEDUCTIONS--FINANCIAL INSTITUTIONS--
SHARES OF STOCK

AN ACT Relating to revenue and taxation; amending section 79, chapter 235, Laws of 1945 and RCW 33.28.040; amending section 82.04.430, chapter 15, Laws of 1961 as last amended by section 11, chapter 173, Laws of 1965 ex. sess. and RCW 82.04.430; adding a new section to chapter 15, Laws of 1961 and to chapter 82.04 RCW; repealing section 82.04.400, chapter 15, Laws of 1961, section 1, chapter 136, Laws of 1963, section 8, chapter 173, Laws of 1965 ex. sess., section 1, chapter 246,

Laws of 1969 ex. sess., and RCW 82.04.400; repealing sections 84.40.270, 84.40.280, 84.40.290, 84.40.300 and 84.40.310, chapter 15, Laws of 1961 and RCW 84.40.270, 84.40.280, 84.40-.290, 84.40.300 and 84.40.310; prescribing an effective date; and declaring an emergency.

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

Section 1. Section 79, chapter 235, Laws of 1945 and RCW 33-.28.040 are each amended to read as follows:

The fees herein provided for shall be in lieu of all other corporation fees, licenses, or excises for the privilege of doing business, except for business and occupation taxes imposed pursuant to chapter 82.04 RCW, notwithstanding any other provisions of this section.

Neither an association nor its members shall be taxed upon its savings accounts as property. An association shall be taxable upon its real and tangible personal property.

An association is a mutual institution for savings and neither it nor its property shall be taxed under any law which shall exempt banks or other savings institutions from taxation.

For all purposes of taxation, the assets represented by the contingent fund and other reserves (other than reserves for expenses and specific losses) of an association shall be deemed its only permanent capital and, in computing any tax, whether property, income, or excise, appropriate adjustments shall be made to give effect to the mutual nature of such association.

Sec. 2. Section 82.04.430, chapter 15, Laws of 1961 as last amended by section 11, chapter 173, Laws of 1965 ex. sess., and RCW 82.04.430 are each amended to read as follows:

In computing tax there may be deducted from the measure of tax the following items:

(1) Amounts derived by persons, other than those engaging in banking, loan; security, or other financial businesses, from investments or the use of money as such, and also amounts derived as divi-

dends by a parent from its subsidiary corporations;

(2) Amounts derived from bona fide initiation fees, dues, contributions, donations, tuition fees, charges made for operation of privately operated kindergartens, and 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. Dues which are for, or graduated upon the amount of service rendered by the recipient thereof are not permitted as a deduction hereunder;

(3) The amount of cash discount actually taken by the purchaser. This deduction is not allowed in arriving at the taxable amount under the extractive or manufacturing classifications with respect to articles produced or manufactured, the reported values of which, for the purposes of this tax, have been computed according to the provisions of RCW 82.04.450;

(4) The amount of credit losses actually sustained by taxpayers whose regular books of account are kept upon an accrual basis;

(5) So much of the sale price of motor vehicle fuel as constitutes the amount of tax imposed by the state or the United States government upon the sale thereof;

(6) Amounts derived from business which the state is prohibited from taxing under the Constitution of this state or the Constitution or laws of the United States;

(7) Amounts derived by any person as compensation for the receiving, washing, sorting, and packing of fresh perishable horticultural products and the material and supplies used therein when performed for the person exempted in RCW 82.04.330, either as agent or as independent contractor;

(8) Amounts derived as compensation for services rendered or to be rendered to patients by a hospital, as defined in chapter 70.41, devoted to the care of human beings with respect to the prevention or treatment of disease, sickness, or suffering, when such hospital

is operated by the United States or any of its instrumentalities, or by the state, or any of its political subdivisions;

(9) Amounts derived as compensation for services rendered to patients by a hospital, as defined in chapter 70.41, which is operated as a nonprofit corporation, nursing homes and homes for unwed mothers operated as religious or charitable organizations, but only if no part of the net earnings received by such an institution inures directly or indirectly, to any person other than the institution entitled to deduction hereunder. In no event shall any such deduction be allowed, unless the hospital building is entitled to exemption from taxation under the property tax laws of this state;

(10) By those engaged in banking, loan, security or other financial businesses, amounts derived from interest received on investments or loans primarily secured by first mortgages or trust deeds on nontransient residential properties;

(11) By those engaged in banking, loan, security or other financial businesses, amounts derived from interest paid on all obligations of the state of Washington, its political subdivisions, and municipal corporations organized pursuant to the laws thereof.

(12) Amounts derived as interest on loans by a lending institution which is owned exclusively by its borrowers or members and which is engaged solely in the business of making loans for agricultural production.

NEW SECTION. Sec. 3. There is added to chapter 15, Laws of 1961 and to chapter 82.04 RCW a new section to read as follows:

This chapter shall not apply to the gross income of credit unions organized under the laws of this state or the United States.

NEW SECTION. Sec. 4. The following acts or parts of acts are each repealed:

(1) Section 82.04.400, chapter 15, Laws of 1961, section 1, chapter 136, Laws of 1963, section 8, chapter 173, Laws of 1965 ex. sess., section 1, chapter 246, Laws of 1969 ex. sess., and RCW 82-

.04.400;

(2) Sections 84.40.270, 84.40.280, 84.40.290, 84.40.300, and 84.40.310, chapter 15, Laws of 1961, and RCW 84.40.270, 84.40.280, 84.40.290, 84.40.300, and 84.40.310.

NEW SECTION. Sec. 5. If any provision of this act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 6. This 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 March 1, 1970.

Passed the House February 12, 1970
Passed the Senate February 12, 1970
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CHAPTER 102
[Engrossed House Bill No. 253]
COLLEGES AND UNIVERSITIES--
STUDENT FEES--
COMMISSION ON HIGHER EDUCATION

AN ACT Relating to higher education; amending section 2, chapter 66, Laws of 1915 as last amended by section 1, chapter 181, Laws of 1963 and RCW 28.77.030; amending section 1, chapter 164, Laws of 1921 as last amended by section 1, chapter 180, Laws of 1963 and RCW 28.80.030; amending section 3, chapter 13, Laws of 1961 ex. sess. as amended by section 10, chapter 47, Laws of 1967 and RCW 28.81.080; amending section 28B.15.200, chapter 223, Laws of 1969 ex. sess. and RCW 28B.15.200; amending section 28B.15.300, chapter 223, Laws of 1969 ex. sess. and RCW 28B.15.300; and amending section 28B.15.400, chapter 223, Laws of 1969 ex. sess. and RCW 28B.15.400; amending section 2, chapter 263, Laws of 1969 ex. sess. and RCW 28.90.110 and RCW 28B.81.020; declaring an emergency; and providing for the expiration of sections thereof.

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