

That the same shall not be sold at less than par plus accrued interest.

NEW SECTION. Sec. 3. 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 immediately.

NEW SECTION. Sec. 4. 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.

Passed the House February 10, 1970  
Passed the Senate February 6, 1970  
Approved by the Governor February 20, 1970  
Filed in Office of Secretary of State February 24, 1970

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CHAPTER 94  
[Engrossed House Bill No. 21]  
LOCAL SALES AND USE TAXES

AN ACT Relating to revenue and taxation; amending section 82.02.020, chapter 15, Laws of 1961 as amended by section 16, chapter 236, Laws of 1967 and RCW 82.02.020; adding a new chapter to Title 82 RCW; and declaring an emergency.

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

NEW SECTION. Section 1. The legislature finds that the several counties and cities of the state lack adequate sources of revenue to carry out essential county and municipal purposes. The legislature further finds that the most efficient and appropriate methods of deriving revenues for such purposes is to vest additional taxing powers in the governing bodies of counties and cities which they may or may not implement. The legislature intends, by enacting this 1970 amendatory act, to provide the means by which essential county and municipal purposes can be financially served should they choose to employ them.

NEW SECTION. Sec. 2. Notwithstanding the provisions of section 12 of this 1970 amendatory act, this 1970 act shall not take effect until the effective date of the law enacted by this 1970 extraordinary session which in effect appropriates for distribution to

cities and towns which impose a local sales and use tax, an amount of money which is sufficient to supply the difference between the amount received by cities or towns imposing taxes to the full extent authorized by this 1970 amendatory act in each calendar quarter of fiscal year 1970-1971, and the amount which such cities or towns would have received in each such quarter pursuant to section 3, chapter 282, Laws of 1969 ex. sess., if this 1970 amendatory act had not been enacted. In the event such a law is not enacted by the 1970 extraordinary session, this 1970 amendatory act shall not become effective, and shall be null and void.

NEW SECTION. Sec. 3. For purposes of this 1970 amendatory act:

(1) A retail sale consisting solely of the sale of tangible personal property shall be deemed to have occurred at the retail outlet at or from which delivery is made to the consumer;

(2) A retail sale consisting essentially of the performance of personal business or professional services shall be deemed to have occurred at the place at which such services were primarily performed;

(3) A retail sale consisting of the rental of tangible personal property shall be deemed to have occurred (a) in the case of a rental involving periodic rental payments, at the primary place of use by the lessee during the period covered by each payment, or (b) in all other cases, at the place of first use by the lessee;

(4) A retail sale within the scope of the second paragraph of RCW 82.04.050, and a retail sale of taxable personal property to be installed by the seller shall be deemed to have occurred at the place where the labor and services involved were primarily performed;

(5) "City" means a city or town;

(6) The meaning ascribed to words and phrases in chapters 82.04, 82.08 and 82.12 RCW, as now or hereafter amended, insofar as applicable, shall have full force and effect with respect to taxes imposed under authority of this 1970 amendatory act;

(7) "Taxable event" shall mean any retail sale, or any use of

an article of tangible personal property, upon which a state tax is imposed pursuant to chapter 82.08 or 82.12 RCW, as they now exist or may hereafter be amended: PROVIDED, HOWEVER, That the term shall not include a retail sale taxable pursuant to RCW 82.08.150, as now or hereafter amended.

NEW SECTION. Sec. 4. The governing body of any county or city while not required by legislative mandate to do so, may, by resolution or ordinance for the purposes authorized by this 1970 amendatory act, fix and impose a sales and use tax in accordance with the terms of this 1970 amendatory act. Such tax shall be collected from those persons who are taxable by the state pursuant to chapters 82.08 and 82.12 RCW, upon the occurrence of any taxable event within the county or city as the case may be. The rate of such tax imposed by a county shall be five-tenths of one percent of the selling price (in the case of a sales tax) or value of the article used (in the case of a use tax). The rate of such tax imposed by a city shall not exceed five-tenths of one percent of the selling price (in the case of a sales tax) or value of the article used (in the case of a use tax): PROVIDED, HOWEVER, That in the event a county shall impose a sales and use tax, the rate of such tax imposed by any city therein shall not exceed four hundred and twenty-five one-thousandths of one percent.

NEW SECTION. Sec. 5. Any county ordinance adopted pursuant to this 1970 amendatory act shall contain, in addition to all other provisions required to conform to this 1970 amendatory act, a provision allowing a credit against the county tax for the full amount of any city sales or use tax imposed upon the same taxable event.

NEW SECTION. Sec. 6. The counties and cities shall contract, prior to the effective date of a resolution or ordinance imposing a sales and use tax, the administration and collection to the state department of revenue, which shall deduct a percentage amount, as provided by contract, not to exceed two percent of the taxes collected for administration and collection expenses incurred by the department

v- and any such amount shall revert to the general fund of the state treasury. The remainder of any portion of any tax authorized by this 1970 amendatory act which is collected by the department of revenue shall be deposited by the state department of revenue in a special fund under the custody of the state treasurer to be known as the local sales and use tax revolving fund. All administrative provisions in chapters 82.03, 82.08, 82.12, and 82.32 RCW, as they now exist or may hereafter be amended, shall, insofar as they are applicable to state sales and use taxes, be applicable to taxes imposed pursuant to this 1970 amendatory act.

NEW SECTION. Sec. 7. Bimonthly the state treasurer shall make distribution from the local sales and use tax revolving fund to the counties and cities the amount of tax collected on behalf of each county or city, less the deduction provided for in section 6 of this 1970 amendatory act.

In the event that any ordinance or resolution imposes a sales and use tax at a rate in excess of the applicable limits contained herein, such ordinance or resolution shall not be considered void in toto, but only with respect to that portion of the rate which is in excess of the applicable limits contained herein.

Sec. 8. Section 82.02.020, chapter 15, Laws of 1961 as amended by section 16, chapter 236, Laws of 1967 and RCW 82.02.020 are each amended to read as follows:

Except only as expressly provided in RCW 67.28.180 and 67.28-.190 and the provisions of this 1970 amendatory act, the state pre-emptes the field of imposing taxes upon retail sales of tangible personal property, the use of tangible personal property, conveyances, and cigarettes, and no county, town, or other municipal subdivision shall have the right to impose taxes of that nature.

NEW SECTION. Sec. 9. No determination that one or more provisions of this 1970 amendatory act, or any part thereof, are invalid shall affect the validity of the remaining provisions.

NEW SECTION. Sec. 10. It is the intent of this 1970 amenda-

tory act that any local sales and use tax adopted pursuant to this 1970 amendatory act be as consistent and uniform as possible with the state sales and use tax and with other local sales and use taxes adopted pursuant to this 1970 amendatory act. It is further the intent of this 1970 amendatory act that the local sales and use tax shall be imposed upon an individual taxable event simultaneously with the imposition of the state sales or use tax upon the same taxable event. The rule making powers of the state department of revenue contained in RCW 82.08.060 and 82.32.300 shall be applicable to this 1970 amendatory act. The department shall, as soon as practicable, and with the assistance of the appropriate associations of county prosecutors and city attorneys, draft a model resolution and ordinance. No resolution or ordinance or any amendment thereto adopted pursuant to this 1970 amendatory act shall be effective, except upon the first day of a calendar month.

NEW SECTION. Sec. 11. Sections 1 through 7 and 9 and 10 are added to and shall constitute a new chapter in Title 82 RCW.

NEW SECTION. Sec. 12. 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: PROVIDED HOWEVER, That each of the provisions set forth in this act shall be operative and in effect only until and including December 31, 1973, at which time this act, in its entirety, shall expire without any further action by the legislature.

Passed the House January 31, 1970  
Passed the Senate February 12, 1970  
Approved by the Governor February 20, 1970, with the exception  
of an item in section 6, 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 authorizes cities and counties to  
impose local retail sales and use tax of not more  
than 1/2 percent.

Section 6 of the Act provides that these local  
taxes shall be administered and collected by  
the State Department of Revenue. To defer the

costs incurred by the state, the department is to deduct an amount to be determined by agreement between the local and state governments, not to exceed 2% of the taxes collected.

Section 6 of the bill provides that the amount set aside by agreement for administration and collection expenses shall revert to the state general fund.

No state general fund monies may be lawfully spent by any state department without legislative authorization. The 1970 Legislature has made no appropriation to the Department of Revenue for the expenses of collecting and administering the local sales tax. The funds specifically intended for this purpose would therefore be locked in the general fund until the next session of the Legislature.

To many communities, the taxes authorized by this bill will be an important tax source. In order to provide the necessary funds for the State Department of Revenue to assist the local governments in the administration and collection of the taxes authorized by this bill, I have deleted the provision reverting the funds set aside for this purpose to the General Fund.

My veto neither adds nor detracts from the purpose and authority granted to local governments by the Legislature. It will enable the Department of Revenue to receive and to spend the necessary funds to function efficiently in cooperation with municipal local governments to administer local sales tax programs.

The remainder of House Bill No. 21 is approved."

CHAPTER 95  
[Engrossed Substitute House Bill No. 33]  
BUDGET AND APPROPRIATIONS

**AN ACT** Adopting a supplemental budget; making supplemental appropriations for the fiscal biennium beginning July 1, 1969, and ending June 30, 1971; making other appropriations; and declaring an emergency.

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

NEW SECTION. Section 1. The following sums or so much thereof as shall be found necessary are hereby appropriated out of the several funds indicated from the effective date of this act to June 30, 1971, except as otherwise provided.

DEPARTMENT OF REVENUE

General Fund Appropriation: PROVIDED, That this