

rate structure for the effect of changes in payroll and property taxes accurate costs of insurance, and increased or lowered costs of borrowing money.

V NEW SECTION. Sec. 6. There is added to chapter 74.32 RCW a new section to read as follows:

The principal function of the committee shall be to reasonably and fairly relate levels of payment or reimbursement to required standards or regulations and effective taxes, personnel costs, and other applicable cost factors.

Passed the Senate May 10, 1971.

Passed the House May 7, 1971.

Approved by the Governor May 21, 1971 with the exception of one section which is vetoed.

Filed in Office of Secretary of State May 21, 1971.

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

"...This bill provides that the governor's committee on vendor rates shall investigate and consider various items in developing its recommendations for vendor rates to the Department of Social and Health Services.

However, section 6 of the bill purports to define the principal function of the committee, and while that section does define one of the functions of the committee there are other functions which are also of substantial importance, such as content of services purchased, assurance of adequate service delivery, and conformity to appropriate state and federal laws and regulations.

I have therefore vetoed section 6. I have approved the remainder of the bill which is, in any event, the operative portion of the legislation."

CHAPTER 299

[Substitute Senate Bill No. 897]

REVENUE AND TAXATION

AN ACT Relating to revenue and taxation; amending section 4, chapter 236, Laws of 1955 and RCW 60.28.040; amending section 2, chapter 272, Laws of 1959 and RCW 73.32.130; amending section 82.04.050, chapter 15, Laws of 1961, as last amended by section 1, chapter 8, Laws of 1970 ex. sess. and RCW

82.04.050; amending section 82.04.190, chapter 15, Laws of 1961 as last amended by section 4, chapter 255, Laws of 1969 ex. sess. and RCW 82.04.190; amending section 82.04.280, chapter 15, Laws of 1961 as last amended by section 2, chapter 8, Laws of 1970 ex. sess. and RCW 82.04.280; amending section 26, chapter 173, Laws of 1965 as last amended by section 1, chapter 257, Laws of 1969 ex. sess. and RCW 82.04.435; amending section 82.08.050, chapter 15, Laws of 1961 as amended by section 15, chapter 173, Laws of 1965 ex. sess. and RCW 82.08.050; amending section 82.08.070, chapter 15, Laws of 1961, as amended by section 8, chapter 293, Laws of 1961 and RCW 82.08.070; amending section 82.08.150, chapter 15, Laws of 1961 as last amended by section 11, chapter 21, Laws of 1969 ex. sess. and RCW 82.08.150; amending section 82.12.030, chapter 15, Laws of 1961 as last amended by section 2, chapter 11, Laws of 1971 1st ex. sess. and RCW 82.12.030; amending section 82.12.040, chapter 15, Laws of 1961, as amended by section 11, chapter 293, Laws of 1961 and RCW 82.12.040; amending section 82.16.020, chapter 15, Laws of 1961 as last amended by section 24, chapter 149, Laws of 1967 ex. sess. and RCW 82.16.020; amending section 82.24.020, chapter 15, Laws of 1961 as last amended by section 23, chapter 173, Laws of 1965 ex. sess. and RCW 82.24.020; amending section 82.24.070, chapter 15, Laws of 1961 as last amended by section 24, chapter 173, Laws of 1965 ex. sess. and RCW 82.24.070; amending section 82.26.020, chapter 15, Laws of 1961 as amended by section 25, chapter 173, Laws of 1965 ex. sess. and RCW 82.26.020; amending section 82.32.040, chapter 15, Laws of 1961 and RCW 82.32.040; amending section 82.32.050, chapter 15, Laws of 1961, as amended by section 1, chapter 141, Laws of 1965 and RCW 82.32.050; amending section 82.32.060, chapter 15, Laws of 1961, as last amended by section 27, chapter 173, Laws of 1965 ex. sess. and RCW 82.32.060; amending section 82.32.080, chapter 15, Laws of 1961, as last amended by section 2, chapter 141, Laws of 1965 ex. sess. and RCW 82.32.080; amending section 82.32.090, chapter 15, Laws of 1961, as last amended by section 26, chapter 149, Laws of 1967 ex. sess. and RCW 82.32.090; amending section 82.32.100, chapter 15, Laws of 1961, as amended by section 4, chapter 141, Laws of 1965 ex. sess. and RCW 82.32.100; amending section 82.32.190, chapter 15, Laws of 1961 as amended by section 6, chapter 141, Laws of 1965 ex. sess. and RCW 82.32.190; amending section 11, chapter 28, Laws of 1963 ex. sess. and RCW 82.32.235; amending section 82.32.350, chapter 15, Laws of 1961 and RCW 82.32.350; amending section

82.44.010, chapter 15, Laws of 1961 as last amended by section 4, chapter 121, Laws of 1967 and RCW 82.44.010; amending section 82.44.030, chapter 15, Laws of 1961 and RCW 82.44.030; amending section 82.50.010, chapter 15, Laws of 1961 as amended by section 44, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.010; amending section 82.50.020, chapter 15, Laws of 1961 as last amended by section 1, chapter 69, Laws of 1969 and RCW 82.50.020; amending section 82.50.030, chapter 15, Laws of 1961 as last amended by section 46, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.030; amending section 82.50.040, chapter 15, Laws of 1961 as amended by section 47, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.040; amending section 82.50.050, chapter 15, Laws of 1961 as amended by section 48, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.050; amending section 82.50.070, chapter 15, Laws of 1961 as last amended by section 2, chapter 69, Laws of 1969 and RCW 82.50.070; amending section 82.50.101, chapter 15, Laws of 1961 as amended by section 50, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.101; amending section 82.50.105, chapter 15, Laws of 1961 as last amended by section 51, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.105; amending section 82.50.110, chapter 15, Laws of 1961 as last amended by section 52, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.110; amending section 82.50.120, chapter 15, Laws of 1961 as last amended by section 53, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.120; amending section 82.50.130, chapter 15, Laws of 1961 as amended by section 54, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.130; amending section 82.50.140, chapter 15, Laws of 1961 as amended by section 55, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.140; amending section 82.50.160, chapter 15, Laws of 1961 as amended by section 1, chapter 274, Laws of 1969 ex. sess. and RCW 82.50.160; amending section 82.50.180, chapter 15, Laws of 1961 as amended by section 56, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.180; amending section 82.50.190, chapter 15, Laws of 1961 as last amended by section 1, chapter 225, Laws of 1969 ex. sess. and RCW 82.50.190; amending section 82.50.200, chapter 15, Laws of 1961 as amended by section 58, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.200; amending section 84.04.090, chapter 15, Laws of 1961 and RCW 84.04.090; amending section 8, chapter 214, Laws of 1963 and RCW 84.28.065; amending section 84.28.090, chapter 15, Laws of 1961 as amended by section 10, chapter 214, Laws of 1963 and RCW 84.28.090; amending section 84.28.110, chapter 15, Laws of 1961 as last amended by section 153, chapter 81,

Laws of 1971 and RCW 84.28.110; amending section 84.36.110, chapter 15, Laws of 1961 and RCW 84.36.110; amending section 84.36.120, chapter 15, Laws of 1961 and RCW 84.36.120; amending section 84.52.050, chapter 15, Laws of 1961 as last amended by section 5, chapter 92, Laws of 1970 ex. sess. and RCW 84.52.050; amending section 1, chapter 133, Laws of 1967 ex. sess. as amended by section 2, chapter 216, Laws of 1969 ex. sess. and RCW 84.52.065; adding a new section to chapter 82.44 RCW; adding new sections to chapter 82.50 RCW; adding new sections to chapter 84.40 RCW; adding new sections to chapter 15, Laws of 1961 and to Title 82 RCW; repealing and simultaneously reenacting certain acts and parts of acts; providing penalties; declaring an emergency; and establishing effective dates.

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

Section 1. Section 4, chapter 236, Laws of 1955 and RCW 60.28.040 are each amended to read as follows:

The amount of all taxes, increases and penalties due or to become due under Title 82, from a contractor or his successors or assignees with respect to a public improvement contract wherein the contract price is ((five)) twenty thousand dollars or more shall be a lien prior to all other liens upon the amount of the retained percentage withheld by the disbursing officer under such contract, and the amount of all other taxes, increases and penalties due and owing from the contractor shall be a lien upon the balance of such retained percentage remaining in the possession of the disbursing officer after all other statutory lien claims have been paid.

Sec. 2. Section 2, chapter 272, Laws of 1959 and RCW 73.32.130 are each amended to read as follows:

For the purpose of creating the fund for the retirement of such bonds upon maturity and the payment of interest thereon as it falls due, all proceeds hereafter received from the excise tax on cigarettes imposed by chapter 82.24 as now or hereafter amended, shall, so long as any part of principal or interest of the bonds herein provided for remains outstanding, be paid into the war veterans' compensation bond retirement fund hereinafter provided for.

In addition thereto, there is hereby levied and there shall be collected by the ((tax commission)) department of revenue from the persons mentioned in and in the manner provided by chapter 82.24, as now or hereafter amended, an excise tax upon the sale, use, consumption, handling or distribution of cigarettes in an amount equal to the rate of one mill per cigarette, but the provisions of RCW 82.24.070 allowing dealers' compensation for affixing stamps shall not apply to this additional tax. Instead, wholesalers and retailers subject to the provisions of chapter 82.24 shall be allowed

as compensation for their services in affixing the stamps for the additional tax required by this section a sum equal to one percent of the value of the stamps for such additional tax purchased or affixed by them.

All money derived from such tax shall be paid to the state treasurer and credited to a special trust fund to be known as the war veterans' compensation bond retirement fund, which shall be kept segregated from all money in the state treasury and shall, while any of the bonds herein authorized or any interest thereon remain unpaid, be available solely for the payment thereof.

Whenever the receipts into the war veterans' compensation bond retirement fund during any year exceed ((four million five hundred thousand dollars; all sums received above that amount)) the annual amounts required for debt service, the balance shall be transferred by the state treasurer to the state general fund, and whenever there has accumulated in the war veterans' compensation bond retirement fund ((four million one hundred thousand dollars)) a sum in excess of the amount required in any year, as determined by the state finance committee, to meet obligations during that year for bond retirement and interest, the state treasurer shall transfer from such fund to the state general fund all money in excess of such amount.

Sec. 3. Section 82.04.050, chapter 15, Laws of 1961 as last amended by section 1, chapter 8, Laws of 1970 ex. sess., and RCW 82.04.050 are each amended to read as follows:

"Sale at retail" or "retail sale" means every sale of tangible personal property (including articles produced, fabricated, or imprinted) to all persons irrespective of the nature of their business and including, among others, without limiting the scope hereof, persons who install, repair, clean, alter, improve, construct, or decorate real or personal property of or for consumers other than a sale to a person who (a) purchases for the purpose of resale as tangible personal property in the regular course of business without intervening use by such person, or (b) installs, repairs, clears, alters, imprints, improves, constructs, or decorates real or personal property of or for consumers, if such tangible personal property becomes an ingredient or component of such real or personal property without intervening use by such person, or (c) purchases for the purpose of consuming the property purchased in producing for sale a new article of tangible personal property or substance, of which such property becomes an ingredient or component or is a chemical used in processing, when the primary purpose of such chemical is to create a chemical reaction directly through contact with an ingredient of a new article being produced for sale. The term shall include every sale of tangible personal property which is used or consumed or to be used or consumed in the performance of any

activity classified as a "sale at retail" or "retail sale" even though such property is resold or utilized as provided in (a), (b), or (c) above following such use. The term also means every sale of tangible personal property to persons engaged in any business which is taxable under RCW 82.04.280, subsection (2), and 82.04.290.

The term "sale at retail" or "retail sale" shall include the sale of or charge made for tangible personal property consumed and/or for labor and services rendered in respect to the following: (a) The installing, repairing, cleaning, altering, imprinting, or improving of tangible personal property of or for consumers, including charges made for the mere use of facilities in respect thereto, but excluding charges made for the use of coin operated laundry facilities when such facilities are situated in an apartment house, hotel, motel, rooming house, trailer camp or tourist camp for the exclusive use of the tenants thereof, and excluding services rendered in respect to live animals, birds and insects; (b) the constructing, repairing, decorating, or improving of new or existing buildings or other structures under, upon, or above real property of or for consumers, including the installing or attaching of any article of tangible personal property therein or thereto, whether or not such personal property becomes a part of the realty by virtue of installation, and shall also include the sale of services or charges made for the clearing of land and the moving of earth excepting the mere leveling of land used in commercial farming or agriculture; (c) the sale of or charge made for labor and services rendered in respect to the cleaning, fumigating, razing or moving of existing buildings or structures, but shall not include the charge made for janitorial services; and for purposes of this section the term "janitorial services" shall mean those cleaning and caretaking services ordinarily performed by commercial janitor service businesses including, but not limited to, wall and window washing, floor cleaning and waxing, and the cleaning in place of rugs, drapes and upholstery. The term "janitorial services" does not include painting, papering, repairing, furnace or septic tank cleaning, snow removal or sandblasting; (d) the sale of or charge made for labor and services rendered in respect to automobile towing and similar automotive transportation services, but not in respect to those required to report and pay taxes under chapter 82.16; (e) the sale of and charge made for the furnishing of lodging and all other services by a hotel, rooming house, tourist court, motel, trailer camp, and the granting of any similar license to use real property, as distinguished from the renting or leasing of real property, and it shall be presumed that the occupancy of real property for a continuous period of one month or more constitutes a rental or lease of real property and not a mere license to use or enjoy the same; (f)

the sale of or charge made for tangible personal property, labor and services to persons taxable under (a), (b), (c), (d), and (e) above when such sales or charges are for property, labor and services which are used or consumed in whole or in part by such persons in the performance of any activity defined as a "sale at retail" or "retail sale" even though such property, labor and services may be resold after such use or consumption. Nothing contained in this paragraph shall be construed to modify the first paragraph of this section and nothing contained in the first paragraph of this section shall be construed to modify this paragraph.

The term "sale at retail" or "retail sale" shall include the sale of or charge made for personal business or professional services, including amounts designated as interest, rents, fees, admission, and other service emoluments however designated, received by persons engaging in the following business activities: (a) amusement and recreation businesses including but not limited to golf, pool, billiards, skating, bowling, ski lifts and tows and others; (b) abstract, title insurance and escrow businesses; (c) credit bureau businesses; (d) automobile parking and storage garage businesses.

The term shall also include the renting or leasing of tangible personal property to consumers.

The term shall not include the sale of or charge made for labor and services rendered in respect to the building, repairing, or improving of any ((publicly owned)) street, place, road, highway, easement, right of way, mass public transportation terminal or parking facility, bridge, tunnel, or trestle which is owned by a municipal corporation or political subdivision of the state or by the United States and which is used or to be used primarily for foot or vehicular traffic including ((publicly owned)) mass transportation vehicles of any kind, nor shall it include sales of feed, seed, fertilizer, and spray materials to persons for the purpose of producing for sale any agricultural product whatsoever, including milk, eggs, wool, fur, meat, honey, or other substances obtained from animals, birds, or insects but only when such production and subsequent sale are exempt from tax under RCW 82.04.330, nor shall it include sales of chemical sprays or washes to persons for the purpose of post-harvest treatment of fruit for the prevention of scald, fungus, mold, or decay.

((Upon and after the effective date of the provisions of chapter 2627 laws of 1969 ex sess, as now or hereafter amended, which impose a tax upon net income, the term shall not include the sale of drugs or medicines either required by law to be dispensed or actually dispensed in accordance with the prescription of a licensed practitioner of one of the healing arts authorized by law to

prescribe such drugs or medicines.)

Sec. 4. Section 82.04.190, chapter 15, Laws of 1961 as last amended by section 4, chapter 255, Laws of 1969 ex. sess. and RCW 82.04.190 are each amended to read as follows:

"Consumer" means the following:

(1) Any person who purchases, acquires, owns, holds, or uses any article of tangible personal property irrespective of the nature of his business and including, among others, without limiting the scope hereof, persons who install, repair, clean, alter, improve, construct, or decorate real or personal property of or for consumers other than for the purpose (a) of resale as tangible personal property in the regular course of business or (b) of incorporating such property as an ingredient or component of real or personal property when installing, repairing, cleaning, altering, imprinting, improving, constructing, or decorating such real or personal property of or for consumers or (c) of consuming such property in producing for sale a new article of tangible personal property or a new substance, of which such property becomes an ingredient or component or as a chemical used in processing, when the primary purpose of such chemical is to create a chemical reaction directly through contact with an ingredient of a new article being produced for sale;

(2) Any person engaged in any business activity taxable under RCW 82.04.290;

(3) Any person engaged in the business of contracting for the building, repairing or improving of any (~~publicly owned~~) street, place, road, highway, easement, right of way, mass public transportation terminal or parking facility, bridge, tunnel, or trestle which is owned by a municipal corporation or political subdivision of the state of Washington or by the United States and which is used or to be used primarily for foot or vehicular traffic including (~~publicly owned~~) mass transportation vehicles of any kind as defined in RCW 82.04.280, in respect to tangible personal property when such person incorporates such property as an ingredient or component of such publicly owned street, place, road, highway, easement, right of way, mass public transportation terminal or parking facility, bridge, tunnel, or trestle by installing, placing or spreading the property in or upon the right of way of such street, place, road, highway, easement, bridge, tunnel, or trestle or in or upon the site of such mass public transportation terminal or parking facility;

(4) Any person who is an owner, lessee or has the right of possession to or an easement in real or personal property which is being constructed, repaired, improved, cleaned, imprinted, or otherwise altered by a person engaged in business, excluding only the United States (~~the state~~) and (~~its~~) municipal corporations or

political subdivisions of the state in respect to labor and services rendered to their real property which is used or held for public road purposes. Nothing contained in this or any other subsection of this definition shall be construed to modify any other definition of "consumer".

Sec. 5. Section 82.04.280, chapter 15, Laws of 1961 as last amended by section 2, chapter 8, Laws of 1970 ex. sess. and RCW 82.04.280 are each amended to read as follows:

Upon every person engaging within this state in the business of: (1) Printing, and of publishing newspapers, periodicals or magazines; (2) building, repairing or improving any (~~publicly~~ owned) street, place, road, highway, easement, right of way, mass public transportation terminal or parking facility, bridge, tunnel, or trestle which is owned by a municipal corporation or political subdivision of the state or by the United States and which is used or to be used, primarily for foot or vehicular traffic including (~~publicly~~ owned) mass transportation vehicles of any kind and including any readjustment, reconstruction or relocation of the facilities of any public, private or cooperatively owned utility or railroad in the course of such building, repairing or improving, the cost of which readjustment, reconstruction, or relocation, is the responsibility of the public authority whose street, place, road, highway, easement, right of way, mass public transportation terminal or parking facility, bridge, tunnel, or trestle is being built, repaired or improved; (3) extracting for hire or processing for hire; (4) operating a cold storage warehouse, but not including the rental of cold storage lockers; (5) representing and performing services for fire or casualty insurance companies as an independent resident managing general agent licensed under the provisions of RCW 48.05.310; (6) radio and television broadcasting, excluding network, national and regional advertising computed as a standard deduction based on the national average thereof as annually reported by the Federal Communications Commission, or in lieu thereof by itemization by the individual broadcasting station, and excluding that portion of revenue represented by the out-of-state audience computed as a ratio to the station's total audience as measured by the 100 micro-volt signal strength and delivery by wire, if any; as to such persons, the amount of tax on such business shall be equal to the gross income of the business multiplied by the rate of forty-four one hundredths of one percent (~~(? PROVIDED, That upon and after the effective date of the provisions of chapter 262, Laws of 1969 ex. sess., as now or hereafter amended, which impose a tax upon net income, the amount of tax on such business shall be equal to the gross income of the business multiplied by the rate of twenty-two one-hundredths of one percent)~~).

Sec. 6. Section 26, chapter 173, Laws of 1965 as last amended by section 1, chapter 257, Laws of 1969 ex. sess. and RCW 82.04.435 are each amended to read as follows:

In computing tax under this chapter there may be credited against the amount of the tax the following items:

As to persons engaging in activities defined in RCW 82.04.120 (the definition of the term "to manufacture"), an amount not to exceed the tax actually paid under chapter 82.08 RCW (Retail Sales Tax) or chapter 82.12 RCW (Use Tax) by such persons or their lessors or their contract vendors, on materials, labor and services in the construction of new buildings or the enlarging of existing buildings directly used in such activities. Where a building is used partly for manufacturing and partly for other purposes the applicable tax credit shall be determined by apportionment of the costs of construction under such rules as the department of revenue shall provide. For purposes of this section the term "buildings" shall mean and include only those structures used to house or shelter manufacturing activities, including the usual lighting, heating, ventilating and sanitary plumbing facilities. The term shall include plant offices and warehouses or other storage facilities for the storage of raw materials or finished goods when such facilities are essential to and an integral part of a factory, mill or manufacturing plant, but shall not include manufacturing or industrial fixtures or equipment such as tanks, conveyor systems, cranes, industrial machinery and related facilities irrespective of whether or not such fixtures or equipment are affixed to the realty. Notwithstanding the foregoing, the term "buildings" shall also include potlines and furnaces used directly in the manufacturing of metals. The phrase "construction of buildings" refers only to new or enlarged buildings and not to the repair or renovation of existing buildings.

This credit shall be allowable only against tax payable by the manufacturer and measured by the value of products or gross proceeds of sales of articles, substances or commodities manufactured in this state, and shall be allowable only against any tax payable which is attributable to manufacturing occurring in the particular factory, mill or manufacturing plant in which such buildings are located.

No tax credit claimed shall be deducted on any return until such claim has been approved by the department of revenue or until ninety days after such claim has been submitted to the department of revenue for approval. This credit shall not be allowable for tax paid on purchases of material, labor or services on which the supplier thereof became entitled to compensation prior to July 1, 1964 or subsequent to January 1, 1971: PROVIDED, That the credit shall be allowable for the tax paid on such purchases pursuant to any contract entered into prior to January 1, 1971 if such tax is paid on

such contract purchases prior to July 1, 1972; AND PROVIDED FURTHER, That with respect only to the construction of buildings used directly in the manufacturing of metals, this credit shall be allowable for tax paid on all purchases pursuant to construction which was in progress on January 1, 1971, and was completed after that date.

Any credits granted prior to July 1, 1969 pursuant to this section shall not be affected by this 1969 amendatory act.

Sec. 7. Section 82.08.050, chapter 15, Laws of 1961, as amended by section 15, chapter 173, Laws of 1965 ex. sess., and RCW 82.08.050 are each amended to read as follows:

The tax hereby imposed shall be paid by the buyer to the seller, and each seller shall collect from the buyer the full amount of the tax payable in respect to each taxable sale in accordance with the schedule of collections adopted by the ~~((tax commission))~~ department pursuant to the provisions of RCW 82.08.060. The tax required by this chapter, to be collected by the seller, shall be deemed to be held in trust by the seller until paid to the ~~((commission))~~ department, and any seller who appropriates or converts the tax collected to his own use or to any use other than the payment of the tax to the extent that the money required to be collected is not available for payment on the due date as prescribed in this chapter shall be guilty of a gross misdemeanor.

In case any seller fails to collect the tax herein imposed or having collected the tax, fails to pay it to the ~~((commission))~~ department in the manner prescribed by this chapter, whether such failure is the result of his own acts or the result of acts or conditions beyond his control, he shall, nevertheless, be personally liable to the state for the amount of the tax.

The amount of tax, until paid by the buyer to the seller or to the ~~((commission))~~ department, shall constitute a debt from the buyer to the seller and any seller who fails or refuses to collect the tax as required with intent to violate the provisions of this chapter or to gain some advantage or benefit, either direct or indirect, and any buyer who refuses to pay any tax due under this chapter shall be guilty of a misdemeanor. The tax required by this chapter to be collected by the seller shall be stated separately from the selling price and for purposes of determining the tax due from the buyer to the seller and from the seller to the ~~((commission))~~ department it shall be conclusively presumed that the selling price quoted in any price list, sales document, contract or other agreement between the parties does not include the tax imposed by this chapter.

Where a buyer has failed to pay to the seller the tax imposed by this chapter and the seller has not paid the amount of the tax to the ~~((commission))~~ department, the ~~((commission))~~ department may, in its discretion, proceed directly against the buyer for collection of

the tax, in which case a penalty of ten percent may be added to the amount of the tax for failure of the buyer to pay the same to the seller, regardless of when the tax may be collected by the ((commission)) department; and all of the provisions of chapter 82.32, including those relative to interest and penalties, shall apply in addition; and, for the sole purpose of applying the various provisions of chapter 82.32, the fifteenth day of the month following the tax period in which the purchase was made shall be considered as the due date of the tax.

Sec. 8. Section 82.08.070, chapter 15, Laws of 1961, as amended by section 8, chapter 293, Laws of 1961, and RCW 82.08.070 are each amended to read as follows:

Each seller, on or before the fifteenth day of the month succeeding the end of each monthly period, shall make out a return for the preceding monthly period, upon forms to be provided by the ((commission)) department, setting forth the amount of all sales, nontaxable sales, taxable sales, the amount of tax thereon, and such other information as the ((commission)) department may require, sign, and transmit the same to the ((commission)) department: PROVIDED, That any such taxpayer may elect to remit each month on such forms as the ((tax commission)) department shall in its discretion prescribe, an estimate of the tax to be due for each month on or before the fifteenth day of the month next succeeding the end of the monthly period in which the tax accrued, and a quarterly return to the ((commission)) department on or before the fifteenth day of the month next succeeding the end of each quarter of every year and shall remit therewith the balance of the actual tax due for the period of the report: PROVIDED FURTHER, That every person who shall elect to remit a monthly "estimate of the tax to be due" as hereinabove described shall remit each month at least one-third of the tax paid during the previous quarter or, at least ninety percent of the tax actually collected or owing during the month.

The ((tax commission)) department may also relieve any taxpayer or class of taxpayers from the obligation of filing monthly returns and may require the return to cover other reporting periods, but in no event shall returns be filed for a period greater than one year.

The ((tax commission)) department may also, by general rule or regulation, establish conditions for submission of annual or semiannual reconciling returns by such taxpayers or class of taxpayers in lieu of quarterly returns.

The ((tax commission)) department may also require verified annual returns from any taxpayer, setting forth such additional information as it may deem necessary to correctly determine tax liability.

The ((commission)) department shall, by rule or regulation, establish procedures and forms for reporting consonant with efficient tax administration and accounting procedure to carry into effect the provisions of this chapter.

The ((commission)) department may also require annual returns from any taxpayer, setting forth such additional information as it may deem necessary to correctly determine tax liability. The tax accrued under the provisions of this chapter, whether or not collected from the buyer shall be paid by the seller to the ((commission)) department in installments at the time of transmitting the return above provided for.

Sec. 9. Section 82.08.150, chapter 15, Laws of 1961 as last amended by section 11, chapter 21, Laws of 1969 ex. sess. and RCW 82.08.150 are each amended to read as follows:

(1) There is levied and shall be collected a tax upon each retail sale of spirits, wine, or strong beer in the original package at the rate of ten percent of the selling price, and the term "retail sale" as used herein shall include, in addition to the meaning ascribed thereto in chapter 82.04, any sale for resale to the holder of a class C, class F, class H or combined class C and class F license issued by the Washington state liquor control board: PROVIDED, That from and after July 1, 1969 the tax upon each retail sale of wine under this subsection (1) shall be at the rate of twenty-six percent of the selling price. The tax imposed in this section shall apply to all sales of spirits, wine, or strong beer by the Washington state liquor stores and agencies, including sales to licensees, but shall not apply to sales of wine in the unopened bottle by licensees who have paid the tax imposed by this subsection (1) to their vendors on the acquisition of such wine. The tax imposed in RCW 82.08.020 as now or hereafter amended shall not apply to sales by the Washington state liquor control board stores and agencies of products subject to the tax imposed by this section.

(2) There is levied and shall be collected from and after the first day of April, 1959, an additional tax upon each retail sale of spirits, or strong beer in the original package at the rate of five percent of the selling price, and the term "retail sale" as used herein shall include the meaning ascribed thereto in chapter 82.04. The additional tax imposed in this paragraph shall apply to the sale of spirits, or strong beer by the Washington state liquor stores and agencies, excluding sales to class H licensees. The tax imposed in RCW 82.08.020 as now or hereafter amended shall not apply to sales by the Washington state liquor control board stores and agencies of products subject to the tax imposed by this paragraph.

(3) There is levied and shall be collected from and after the first day of ((June, 1965)) July, 1971, an additional tax upon each

retail sale of spirits in the original package at the rate of ~~((two))~~ four cents per fluid ounce or fraction thereof contained in such original package, and the term "retail sale" as used herein shall include the meaning ascribed thereto in chapter 82.04. The additional tax imposed in this paragraph shall apply to the sale of spirits by the Washington state liquor stores and agencies, including sales to class H licensees. The tax imposed in RCW 82.08.020 as now or hereafter amended shall not apply to sales subject to the tax imposed by this paragraph. On or before the twenty-fifth day of each month beginning with the month of July, 1961, the Washington state liquor control board shall remit to the state department of revenue, to be deposited with the state treasurer, all moneys collected by it under this paragraph during the preceding month on sales made and subject to this paragraph. Upon receipt of such moneys the state treasurer shall deposit them in the state general fund and the provisions of RCW 82.08.160 and 82.08.170, and the provisions of chapter 66.08 relating to deposits, apportionment and distribution, shall have no application to the collections under this paragraph.

(4) As used in this section, the terms, "spirits," "wine," "strong beer," and "package" shall have the meaning ascribed to them in chapter 66.04.

Sec. 10. Section 82.12.030, chapter 15, Laws of 1961, as last amended by section 2, chapter 11, Laws of 1971 1st ex. sess. and RCW 82.12.030 are each amended to read as follows:

The provisions of this chapter shall not apply:

(1) In respect to the use of any article of tangible personal property brought into the state by a nonresident thereof for his use or enjoyment while temporarily within the state unless such property is used in conducting a nontransitory business activity within the state; or in respect to the use by a nonresident of this state of a motor vehicle which is registered or licensed under the laws of the state of his residence and is not used in this state more than three months, and which is not required to be registered or licensed under the laws of this state; or in respect to the use of household goods, personal effects and private automobiles by a bona fide resident of this state, if such articles were acquired and used by such person in another state while a bona fide resident thereof and such acquisition and use occurred more than thirty days prior to the time he entered this state;

(2) In respect to the use of any article of tangible personal property purchased at retail or acquired by lease, gift or bailment if the sale thereof to, or the use thereof by, the present user or his bailor or donor has already been subjected to the tax under chapter 82.08 or 82.12 and such tax has been paid by the present user or by his bailor or donor; or in respect to the use of property

acquired by bailment and such tax has once been paid based on reasonable rental as determined by RCW 82.12.060 measured by the value of the article at time of first use multiplied by the tax rate imposed by chapter 82.08 or 82.12 as of the time of first use; or in respect to the use of any article of tangible personal property acquired by bailment, if the property was acquired by a previous bailee from the same bailor for use in the same general activity and such original bailment was prior to June 9, 1961;

(3) In respect to the use of any article of tangible personal property the sale of which is specifically taxable under chapter 82.16;

(4) In respect to the use of any airplane, locomotive, railroad car, or watercraft used primarily in conducting interstate or foreign commerce by transporting therein or therewith property and persons for hire or used primarily in commercial deep sea fishing operations outside the territorial waters of the state, and in respect to use of tangible personal property which becomes a component part of any such airplane, locomotive, railroad car, or watercraft, and in respect to the use by a nonresident of this state of any motor vehicle or trailer used exclusively in transporting persons or property across the boundaries of this state and in intrastate operations incidental thereto when such motor vehicle or trailer is registered and licensed in a foreign state and in respect to the use by a nonresident of this state of any motor vehicle or trailer so registered and licensed and used within this state for a period not exceeding fifteen consecutive days under such rules as the department of revenue shall adopt: PROVIDED, That under circumstances determined to be justifiable by the department of revenue a second fifteen day period may be authorized consecutive with the first fifteen day period; and for the purposes of this exemption the term "nonresident" as used herein, shall include a user who has one or more places of business in this state as well as in one or more other states, but the exemption for nonresidents shall apply only to those vehicles which are most frequently dispatched, garaged, serviced, maintained, and operated from the user's place of business in another state; and in respect to the use by the holder of a carrier permit issued by the Interstate Commerce Commission of any motor vehicle or trailer whether owned by or leased with or without driver to the permit holder and used in substantial part in the normal and ordinary course of the user's business for transporting therein persons or property for hire across the boundaries of this state if the first use of which within this state is actual use in conducting interstate or foreign commerce; and in respect to the use of any motor vehicle or trailer while being operated under the authority of a one-transit permit issued by the director of motor

vehicles pursuant to RCW 46.16.100 and moving upon the highways from the point of delivery in this state to a point outside this state; and in respect to the use of tangible personal property which becomes a component part of any motor vehicle or trailer used by the holder of a carrier permit issued by the Interstate Commerce Commission authorizing transportation by motor vehicle across the boundaries of this state whether such motor vehicle or trailer is owned by or leased with or without driver to the permit holder;

(5) In respect to the use of any article of tangible personal property which the state is prohibited from taxing under the Constitution of the state or under the Constitution or laws of the United States;

(6) In respect to the use of motor vehicle fuel used in aircraft by the manufacturer thereof for research, development, and testing purposes and motor vehicle fuel taxable under chapter 82.36: PROVIDED, That the use of such fuel upon which a refund of the motor vehicle fuel tax is obtained shall not be exempt, and the director of motor vehicles shall deduct from the amount of such tax to be refunded the amount of tax due under this chapter and remit the same each month to the department of revenue;

(7) In respect to the use of any article of tangible personal property included within the transfer of the title to the entire operating property of a publicly or privately owned public utility, or of a complete operating integral section thereof, by the state or a political subdivision thereof in conducting any business defined in subdivisions (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), or (11) of RCW 82.16.010;

(8) In respect to the use of tangible personal property (including household goods) which have been used in conducting a farm activity, if such property was purchased from a farmer at an auction sale held or conducted by an auctioneer upon a farm and not otherwise;

(9) In respect to the use of tangible personal property by corporations which have been incorporated under any act of the congress of the United States and whose principal purposes are to furnish volunteer aid to members of the armed forces of the United States and also to carry on a system of national and international relief and to apply the same in mitigating the sufferings caused by pestilence, famine, fire, flood, and other national calamities and to devise and carry on measures for preventing the same;

(10) In respect to the use of purebred livestock for breeding purposes where said animals are registered in a nationally recognized breed association; sales of cattle and milk cows used on the farm;

(11) In respect to the use of poultry in the production for sale of poultry or poultry products;

(12) In respect to the use of fuel by the extractor or manufacturer thereof when used directly in the operation of the particular extractive operation or manufacturing plant which produced or manufactured the same;

(13) In respect to the use of motor vehicles, equipped with dual controls, which are loaned to and used exclusively by a school in connection with its driver training program: PROVIDED, That this exemption and the term "school" shall apply only to (a) the University of Washington, Washington State University, the state colleges and the state community colleges or (b) any public, private or parochial school accredited by either the state board of education or by the University of Washington (the state accrediting station) or (c) any public vocational school meeting the standards, courses and requirements established and prescribed or approved in accordance with the Community College Act of 1967 (chapter 8, Laws of 1967 first extraordinary session);

(14) In respect to the use by a bailee of any article of tangible personal property which is entirely consumed in the course of research, development, experimental and testing activities conducted by the user, provided the acquisition or use of such articles by the bailor was not subject to the taxes imposed by chapter 82.08 or chapter 82.12;

(15) In respect to the use by residents of this state of motor vehicles and trailers acquired and used while such persons are members of the armed services and are stationed outside this state pursuant to military orders, but this exemption shall not apply to members of the armed services called to active duty for training purposes for periods of less than six months and shall not apply to the use of motor vehicles or trailers acquired less than thirty days prior to the discharge or release from active duty of any person from the armed services;

(16) In respect to the use of semen in the artificial insemination of livestock;

(17) In respect to the use of form lumber by any person engaged in the constructing, repairing, decorating or improving of new or existing buildings or other structures under, upon or above real property of or for consumers: PROVIDED, That such lumber is used or to be used first by such person for the molding of concrete in a single such contract, project or job and is thereafter incorporated into the product of that same contract, project or job as an ingredient or component thereof;

(18) In respect to the use of any sand, gravel, or rock to the extent of the cost of or charges made for labor and services performed in respect to the mining, sorting, crushing, screening, washing, hauling, and stockpiling such sand, gravel, or rock, when

such sand, gravel, or rock is taken from a pit or quarry which is owned by or leased to a county or a city, and such sand, gravel, or rock is (1) either stockpiled in said pit or quarry for placement or is placed on the street, road, place, or highway of the county or city by the county or city itself, or (2) sold by the county or city to a county, or a city at actual cost for placement on a publicly owned street, road, place, or highway. The exemption provided for in this subsection shall not apply to the use of such material to the extent of the cost of or charge made for such labor and services, if the material is used for other than public road purposes or is sold otherwise than as provided for in this subsection.

(19) In respect to the use of wearing apparel only as a sample for display for the purpose of effecting sales of goods represented by such sample.

(20) In respect to the use of tangible personal property held for sale and displayed in single trade shows for a period not in excess of thirty days, the primary purpose of which is to promote the sale of products or services.

(21) In respect to the use of pollen.

~~((24))~~ [22] In respect to the use of the personal property of one political subdivision by another political subdivision directly or indirectly arising out of or resulting from the annexation or incorporation of any part of the territory of one political subdivision by another.

Sec. 11. Section 82.12.040, chapter 15, Laws of 1961, as amended by section 11, chapter 293, Laws of 1961, and RCW 82.12.040 are each amended to read as follows:

Every person who maintains in this state a place of business or a stock of goods shall obtain from the ~~((tax commission))~~ department a certificate of registration, and shall, at the time of making sales, or making transfers of either possession or title or both, of tangible personal property for use in this state, collect from the purchasers or transferees the tax imposed under this chapter. For the purposes of this chapter, the phrase "maintains in this state a place of business" shall include the solicitation of sales and/or taking of orders by sales agents or traveling representatives.

Every person who engages in this state in the business of acting as an independent selling agent for persons who do not hold a valid certificate of registration, and who receives compensation by reason of sales of tangible personal property of his principals made for use in this state, shall, at the time such sales are made, collect from the purchasers the tax imposed under this chapter, and for that purpose shall be deemed a retailer as defined in this chapter.

The tax required to be collected by this chapter shall be deemed to be held in trust by the retailer until paid to the ((tax commission)) department and any retailer who appropriates or converts the tax collected to his own use or to any use other than the payment of the tax provided herein to the extent that the money required to be collected is not available for payment on the due date as prescribed shall be guilty of a misdemeanor. In case any seller fails to collect the tax herein imposed or having collected the tax, fails to pay the same to the ((tax commission)) department in the manner prescribed, whether such failure is the result of his own acts or the result of acts or conditions beyond his control, he shall nevertheless, be personally liable to the state for the amount of such tax.

Any retailer who refunds, remits, or rebates to a purchaser, or transferee, either directly or indirectly, and by whatever means, all or any part of the tax levied by this chapter, or makes in any form of advertising, verbal or otherwise, any statements which might infer that he is absorbing the tax or paying the tax for the purchaser or transferee by an adjustment of prices, or at a price including the tax, or in any other manner whatsoever shall be guilty of a misdemeanor.

Sec. 12. Section 82.16.020, chapter 15, Laws of 1961 as last amended by section 24, chapter 149, Laws of 1967 ex. sess. and RCW 82.16.020 are each amended to read as follows:

There is levied and there shall be collected from every person a tax for the act or privilege of engaging within this state in any one or more of the businesses herein mentioned. The tax shall be equal to the gross income of the business, multiplied by the rate set out after the business, as follows:

(1) Railroad, express, railroad car, water distribution, light and power, telephone and telegraph businesses: Three and six-tenths percent;

(2) Gas distribution business: ((Two and four-tenths)) Three percent;

(3) Urban transportation business: Six-tenths of one percent;

(4) Vessels under sixty-five feet in length, except tugboats, operating upon the waters within the state: Six-tenths of one percent;

(5) Motor transportation and tugboat businesses, and all public service businesses other than ones mentioned above: One and eight-tenths of one percent.

Sec. 13. Section 82.24.020, chapter 15, Laws of 1961 as last amended by section 23, chapter 173, Laws of 1965 ex. sess. and RCW 82.24.020 are each amended to read as follows:

There is levied and there shall be collected as hereinafter

provided, a tax upon the sale, use, consumption, handling or distribution of all cigarettes, in an amount equal to the rate of ~~((four))~~ six and one-half mills per cigarette.

Sec. 14. Section 82.24.070, chapter 15, Laws of 1961, as last amended by section 24, chapter 173, Laws of 1965 ex. sess. and RCW 82.24.070 are each amended to read as follows:

Wholesalers and retailers subject to the provisions of this chapter shall be allowed compensation for their services in affixing the stamps herein required a sum equal to two percent of the first four mills of the value of the stamps purchased or affixed by them.

Sec. 15. Section 82.32.040, chapter 15, Laws of 1961 and RCW 82.32.040 are each amended to read as follows:

Each ~~((vending machine and each coin operated machine, except where used in conducting a public utility business, and each))~~ mechanical device, the operator of which is taxable under chapter 82.28, shall be considered a separate place of business and a separate registration certificate shall be obtained for each such ~~((machine or))~~ device. The issuance of any certificate for such ~~((machines or))~~ devices to any applicant therefor may be denied by the ~~((tax commission))~~ department, if the ~~((commission))~~ department, after hearing, finds that the conditions of the applicant's business or prior record as a taxpayer place in jeopardy the collection of the tax. The ~~((commission))~~ department may require that any applicant for a certificate of registration for any such ~~((machine or))~~ device furnish a proper surety bond sufficient to secure the payment of any tax imposed. It shall be unlawful for any person to operate such ~~((machine or))~~ device or permit it to be operated on his premises unless a certificate of registration has been obtained and is conspicuously displayed upon such ~~((machine or))~~ device, or for any person to operate any such ~~((machine or))~~ device under a forged certificate of registration or under a certificate of registration not issued for such ~~((machine or))~~ device or to the operator thereof or under a certificate of registration which has been revoked, or for any person upon making application for a certificate of registration to fail or refuse to give any information requested by the ~~((commission))~~ department or to give false information with intent to conceal the true name or address of the owner or operator of such ~~((machine))~~ device.

Any person violating the provisions of this section shall be guilty of a misdemeanor.

Any ~~((machine or))~~ device described herein which does not display a certificate of registration, or any ~~((machine or))~~ device which displays a forged certificate of registration or a certificate of registration not issued for such ~~((machine))~~ device or to the operator thereof or revoked certificate of registration, is hereby

declared to be contraband and may be seized by the ((tax commission)) department, or by any peace officer of the state, when directed by the ((commission)) department so to do, without warrant, and shall be offered for sale by the ((commission)) department in the same manner as property distrained under warrant for the satisfaction of delinquent taxes. The proceeds of sale shall be paid to the ((commission)) department and credited to the account of miscellaneous revenue: PROVIDED, That the costs of the seizure and sale shall be paid out of the proceeds before making remittance.

Any money contained in such ((machines or)) devices may be removed before the ((machine or)) device is offered for sale and the amount thereof shall be considered as part of the proceeds of the sale.

Sec. 16. Section 82.32.050, chapter 15, Laws of 1961, as amended by section 1, chapter 141, Laws of 1965 ex. sess., and RCW 82.32.050 are each amended to read as follows:

If upon examination of any returns or from other information obtained by the ((tax commission)) department it appears that a tax or penalty has been paid less than that properly due, the ((commission)) department shall assess against the taxpayer such additional amount found to be due and as to assessments made on and after May 1, 1965, including assessments for additional tax or penalties due prior to that date shall add thereto interest at the rate of ((six)) nine percent per annum from the last day of the year in which the deficiency is incurred until date of payment. The ((commission)) department shall notify the taxpayer by mail of the additional amount and the same shall become due and shall be paid within ten days from the date of the notice, or within such further time as the ((commission)) department may provide. If payment is not received by the ((commission)) department by the due date specified in the notice, or any extension thereof, the ((commission)) department shall add a penalty of ten percent of the amount of the additional tax found due. If the ((commission)) department finds that all or any part of the deficiency resulted from an intent to evade the tax payable hereunder, a further penalty of fifty percent of the additional tax found to be due shall be added.

No assessment or correction of an assessment for additional taxes due may be made by the ((commission)) department more than four years after the close of the tax year, except (1) against a taxpayer who has not registered as required by this chapter, (2) upon a showing of fraud or of misrepresentation of a material fact by the taxpayer, or (3) where a taxpayer has executed a written waiver of such limitation.

Sec. 17. Section 82.32.060, chapter 15, Laws of 1961, as last amended by section 27, chapter 173, Laws of 1965 ex. sess., and RCW

82.32.060 are each amended to read as follows:

If, upon application by a taxpayer for a refund or for an audit of his records, or upon an examination of the returns or records of any taxpayer, it is determined by the ((tax commission)) department that within the two years immediately preceding the receipt ((of)) by the ((commission)) department of the application by the taxpayer for a refund or for an audit, or, in the absence of such an application, within the two years immediately preceding the commencement by the ((commission)) department of such examination, a tax has been paid in excess of that properly due, the excess amount paid within such period of two years shall be credited to the taxpayer's account or shall be refunded to the taxpayer, at his option. Except as to the utilization by the taxpayer of the credits in computing tax authorized by RCW 82.04.435, application for which credits must be made within two years of payment of the taxes giving rise to such credits, no refund or credit shall be allowed with respect to any payments made to the ((commission)) department more than two years before the date of such application or examination. Where a refund or credit may not be made because of the lapse of said two year period, the amount of the refund or credit which would otherwise be allowable for the portion of the statutory assessment period preceding the two year period may be offset against the amount of any tax deficiency which may be determined by the ((commission)) department for such statutory assessment period. ((Notwithstanding the foregoing, no refund or credit shall be granted with respect to taxes paid prior to May 4, 1950, but where a refund or credit may not be made because the tax was paid prior to May 4, 1950, the amount of the refund or credit which would otherwise be allowable for the portion of the statutory assessment period preceding May 4, 1950, may be offset against the amount of any tax deficiency which may be determined by the commission for such preceding period.))

Notwithstanding the foregoing limitations there shall be refunded or credited to taxpayers engaged in the performance of United States government contracts or subcontracts the amount of any tax paid, measured by that portion of the amounts received from the United States, which taxpayer is required by contract or applicable federal statute to refund or credit to the United States, if claim for such refund is filed by the taxpayer with the ((tax commission)) department within one year of the date that the amount of the refund or credit due to the United States is finally determined and filed within four years of the date on which the tax was paid: PROVIDED, That no interest shall be allowed on such refund.

Any such refunds shall be made by means of vouchers approved by the ((tax commission)) department and by the issuance of state warrants drawn upon and payable from such funds as the legislature

may provide.

Any judgment for which a recovery is granted by any court of competent jurisdiction, not appealed from, for tax, penalties, and interest which were paid by the taxpayer, and costs, in a suit by any taxpayer shall be paid in like manner, upon the filing with the ((tax commission)) department of a certified copy of the order or judgment of the court. Except as to the credits in computing tax authorized by RCW 82.04.435, interest at the rate of three percent per annum shall be allowed by the ((tax commission)) department and by any court on the amount of any refund or recovery allowed to a taxpayer for taxes, penalties, or interest paid by him after May 1, 1949, and interest at the same rate shall be allowed on any judgment recovered by a taxpayer for taxes, penalties, or interest paid after such date.

Sec. 18. Section 82.32.080, chapter 15, Laws of 1961, as last amended by section 2, chapter 141, Laws of 1965 ex. sess., and RCW 82.32.080 are each amended to read as follows:

Payment of the tax may be made by uncertified check under such regulations as the ((commission)) department shall prescribe, but, if a check so received is not paid by the bank on which it is drawn, the taxpayer, by whom such check is tendered, shall remain liable for payment of the tax and for all legal penalties, the same as if such check had not been tendered.

A return or remittance which is transmitted to the ((tax commission)) department by United States mail shall be deemed filed or received on the date shown by the post office cancellation mark stamped upon the envelope containing it.

The ((tax commission)) department, for good cause shown, may extend the time for making and filing any return, and may grant such reasonable additional time within which to make and file returns as it may deem proper, but any permanent extension granting the taxpayer a reporting date without penalty more than ten days beyond the due date, and any extension in excess of thirty days shall be conditional on deposit with the ((commission)) department of an amount to be determined by the ((commission)) department which shall be approximately equal to the estimated tax liability for the reporting period or periods for which the extension is granted. In the case of a permanent extension or a temporary extension of more than thirty days the deposit shall be deposited within the state treasury with other tax funds and a credit recorded to the taxpayer's account which may be applied to taxpayer's liability upon cancellation of the permanent extension or upon reporting of the tax liability where an extension of more than thirty days has been granted.

The ((commission)) department shall review the requirement for deposit at least annually and may require a change in the amount of the deposit required when it believes that such amount does not

approximate the tax liability for the reporting period or periods for which the extension is granted.

The ((commission)) department shall keep full and accurate records of all funds received and disbursed by it. Subject to the provisions of RCW 82.32.105 and 82.32.350, the department shall apply the payment of the taxpayer first against penalties and interest, and then upon the tax, without regard to any direction of the taxpayer.

The ((commission)) department may refuse to accept any return which is not accompanied by a remittance of the tax shown to be due thereon. When such return is not accepted, the taxpayer shall be deemed to have failed or refused to file a return and shall be subject to the procedures provided in RCW 82.32.100 and to the penalties provided in RCW 82.32.090.

Sec. 19. Section 82.32.090, chapter 15, Laws of 1961, as last amended by section 26, chapter 149, Laws of 1967 ex. sess. and RCW 82.32.090 are each amended to read as follows:

If payment of any tax due is not received by the department of revenue by the last day of the month in which the tax becomes due, there shall be assessed a penalty of ((two)) five percent of the amount of the tax; and if the tax is not received by the last day of the month next succeeding the month in which the due date falls, there shall be assessed a total penalty of ten percent of the amount of the tax; and if the tax is not received by the last day of the second month next succeeding the month in which the due date falls, there shall be assessed a total penalty of twenty percent of the amount of the tax. No penalty so added shall be less than two dollars.

If payment of any tax is received within the first ten days of the month next succeeding the month in which the due date falls, the amount of such payment shall be credited to, and shall be treated for all purposes as having been collected during, the fiscal year in which such due date falls.

If a warrant be issued by the department of revenue for the collection of taxes, increases, and penalties, there shall be added thereto a penalty of five percent of the amount of the tax, but not less than five dollars.

Notwithstanding the foregoing, the aggregate of penalties imposed under this chapter for failure to file a return, late payment of any tax, increase, or penalty, or issuance of a warrant shall not exceed twenty-five percent of the tax due, or seven dollars, whichever is greater.

Sec. 20. Section 82.32.100, chapter 15, Laws of 1961, as amended by section 4, chapter 141, Laws of 1965 ex. sess. and RCW 82.32.100 are each amended to read as follows:

If any person fails or refuses to make any return or to make

available for examination the records required by this chapter, the ((tax commission)) department shall proceed, in such manner as it may deem best, to obtain facts and information on which to base its estimate of the tax; and to this end the ((commission)) department may examine the books, records, and papers of any such person and may take evidence, on oath, of any person, relating to the subject of inquiry.

As soon as the ((commission)) department procures such facts and information as it is able to obtain upon which to base the assessment of any tax payable by any person who has failed or refused to make a return, it shall proceed to determine and assess against such person the tax and penalties due, but such action shall not deprive such person from appealing to the superior court as hereinafter provided. To the assessment the ((commission)) department shall add the penalties provided in RCW 82.32.090. The ((commission)) department shall notify the taxpayer by mail of the total amount of such tax, penalties, and interest, and the total amount shall become due and shall be paid within ten days from the date of such notice.

No assessment or correction of an assessment may be made by the ((commission)) department more than four years after the close of the tax year, except (1) against a taxpayer who has not registered as required by this chapter, (2) upon a showing of fraud or of misrepresentation of a material fact by the taxpayer, or (3) where a taxpayer has executed a written waiver of such limitation.

Sec. 21. Section 82.32.190, chapter 15, Laws of 1961, as amended by section 6, chapter 141, Laws of 1965 ex. sess., and RCW 82.32.190 are each amended to read as follows:

The ((tax commission)) department, by its order, may hold in abeyance the collection of tax from any taxpayer or any group of taxpayers when a question bearing on their liability for tax hereunder is pending before the courts: PROVIDED, That the ((commission)) department may impose such conditions as may be deemed just and equitable and shall require the payment of interest at the rate of ((one-half)) three-quarters of one percent of the amount of the tax for each thirty days or portion thereof from the date upon which such tax became due.

Sec. 22. Section 11, chapter 28, Laws of 1963 ex. sess. and RCW 82.32.235 are each amended to read as follows:

In addition to the remedies provided in this chapter the ((tax commission)) department is hereby authorized to issue to any person, or to any political subdivision or department of the state, a notice and order to withhold and deliver property of any kind whatsoever when there is reason to believe that there is in the possession of such person, political subdivision or department, property which is

or shall become due, owing, or belonging to any taxpayer against whom a warrant has been filed.

The notice and order to withhold and deliver shall be served by the sheriff of the county wherein the service is made, or by his deputy, or by any duly authorized representative of the ((tax commission)) department. Any person, or any political subdivision or department upon whom service has been made is hereby required to answer the notice within twenty days exclusive of the day of service, under oath and in writing, and shall make true answers to the matters inquired of in the notice.

In the event there is in the possession of any such person or political subdivision or department, any property which may be subject to the claim of the ((tax commission)) department, such property shall be delivered forthwith to the commission or its duly authorized representative upon demand to be held in trust by the ((commission)) department for application on the indebtedness involved or for return, without interest, in accordance with final determination of liability or nonliability, or in the alternative, there shall be furnished a good and sufficient bond satisfactory to the ((tax commission)) department conditioned upon final determination of liability.

Should any person or political subdivision fail to make answer to an order to withhold and deliver within the time prescribed herein, it shall be lawful for the court, after the time to answer such order has expired, to render judgment by default against such person or political subdivision for the full amount claimed by the ((tax commission)) department in the notice to withhold and deliver, together with costs.

Sec. 23. Section 82.32.350, chapter 15, Laws of 1961 and RCW 82.32.350 are each amended to read as follows:

The ((tax commission; with concurrence of all three members;)) department may enter into an agreement in writing with any person relating to the liability of such person in respect of any tax imposed by any of the preceding chapters of this title for any taxable period or periods.

Sec. 24. Section 84.52.050, chapter 15, Laws of 1961 as last amended by section 5, chapter 92, Laws of 1970 ex. sess. and RCW 84.52.050 are each amended to read as follows:

Except as hereinafter provided, the aggregate of all tax levies upon real and personal property by the state, municipal corporations, taxing districts and governmental agencies, now existing or hereafter created, shall not exceed twenty-two mills on the dollar of assessed valuation with respect to levies made in 1970 and 1971 and 1972 and twenty-one mills on the dollar of assessed valuation with respect to levies made in subsequent years, which

assessed valuation shall be fifty percent of the true and fair value of such property in money: PROVIDED, That if an amendment to Article VII, section 2 of the state Constitution, as amended by Amendment 17, imposing a limit on property taxes of, in effect, one percent of the true and fair value of property is approved by the voters, such aggregate of all tax levies shall not exceed twenty mills on the dollar of assessed valuation with respect to levies made in years subsequent to such voter approval; and within and subject to the aforesaid limitation the levy by the state shall not exceed two mills to be used exclusively for the public assistance program of the state and the levy by any county shall not exceed four mills: PROVIDED, That if such constitutional amendment is so approved, the authority of the state to levy not to exceed two mills to be used exclusively for the public assistance program of the state shall be reduced to not to exceed one mill (~~and upon and after the effective date of the provisions of chapter 262, Laws of 1969 ex. sess., which impose a tax upon net income, such authority of the state shall expire and the levy by any county may exceed four mills but shall not exceed five mills~~); the levy by or for any school district shall not exceed seven mills: PROVIDED, That in each of the years 1967 and 1968 and 1969 and 1970 and 1971 and 1972 the state shall levy a property tax of four mills of which two mills shall be used exclusively for the public assistance program of the state and of which two mills shall be used exclusively for the support of the common schools; and in such years in which the state shall validly levy a property tax of two mills for the support of the common schools, the levy by or for any school district shall not exceed six mills: PROVIDED FURTHER, That the levy by or for any union high school district shall not exceed two-fifths of the maximum levy permissible for any school district without a vote of the electors thereof and the levy by or for any component district within a union high school district shall not exceed three-fifths of the maximum levy permissible for any school district without a vote of the electors thereof: PROVIDED FURTHER, That the levy against any nonhigh school district for the high school district fund shall not exceed two-fifths of the maximum levy permissible for any school district without a vote of the electors thereof and the levy by or for any such nonhigh school district shall not exceed the balance of such maximum permissible levy; the levy for any road district shall not exceed five mills; and the levy by or for any city or town shall not exceed seven and one-half mills: PROVIDED FURTHER, That counties of the fifth class and under are hereby authorized to levy from four to five and one-half mills for general county purposes and from three and one-half to five mills for county road purposes if the total levy for both purposes does not exceed nine mills: PROVIDED FURTHER, That

counties of the fourth and the ninth class are hereby authorized to levy four and one-half mills until such time as the junior taxing agencies are utilizing all the millage available to them.

Nothing herein shall prevent levies at the rates provided by existing law by or for any port or power district.

Sec. 25. Section 1, chapter 133, Laws of 1967 ex. sess. as amended by section 2, chapter 216, Laws of 1969 ex. sess. and RCW 84.52.065 are each amended to read as follows:

In each of the years 1967 and 1968 and 1969 and 1970 and 1971 and 1972 the state shall levy for collection in 1968 and 1969 and 1970 and 1971 and 1972 and 1973 respectively for the support of common schools of the state a tax of two mills upon the assessed valuation of all taxable property within the state adjusted to fifty percent of true and fair value of such property in money in accordance with the ratio fixed by the state department of revenue. Such levy shall be in addition to the levy ~~((of two mills))~~ for public assistance purposes as provided in RCW 74.04.150 and 84.52.050, as now or hereafter amended.

NEW SECTION. Sec. 26. Sections 27 through 31 of this 1971 -V amendatory act are added to chapter 15, Laws of 1961 and to Title 82 RCW and shall constitute a new chapter therein to be known as chapter 82.13 RCW.

NEW SECTION. Sec. 27. It is the intent of this chapter to impose a compensating excise tax upon the consumption or use of electrical energy, with respect to the retail sale of which the tax imposed by chapter 82.16 RCW is not applicable, at the same rate and measure as the tax imposed under the provisions of chapter 82.16 RCW upon persons engaged in the light and power business.

NEW SECTION. Sec. 28. There is hereby levied and shall be collected from every person in this state a tax or excise for the privilege of consuming or using within this state, as a consumer or user, electrical energy.

NEW SECTION. Sec. 29. The tax imposed in section 28 of this chapter shall not apply to the use or consumption of electrical energy with respect to which tax liability is specifically imposed on the seller under the provisions of chapter 82.16 RCW.

NEW SECTION. Sec. 30. The tax shall be levied and collected in an amount equal to the selling price of the electrical energy multiplied by the rate of 3.6 percent. For purposes of this section, the term "selling price of the electrical energy" shall mean the consideration paid by the buyer to the seller with respect to the electrical energy used or consumed.

NEW SECTION. Sec. 31. The provisions of chapter 82.32 RCW, insofar as applicable, shall have full force and application with respect to taxes imposed under the provisions of sections 28 through

V-31 of this 1971 amendatory act.

Sec. 32. Section 8, chapter 214, Laws of 1963 and RCW 84.28.065 are each amended to read as follows:

Whenever any land is removed from classification as reforestation land it shall thereafter be assessed and taxed without regard to the provisions of this chapter, and there shall thereupon become due and owing to the county in which such land is situated the taxes set forth in this section.

(a) A yield tax equal to (~~twelve and one-half~~) twenty-five percent of the value of the timber or forest crop remaining on the land, based upon full current stumpage rates fixed by the assessor: PROVIDED, That whenever, within a period of twelve years following the classification of any lands as reforestation lands, any such lands shall be removed from classification, the owner thereof shall be required to pay a yield tax upon the timber of (~~one~~) two percent for each year that has expired and shall take effect July from the date of such classification until such removal from classification.

(b) A sum of money equivalent to the amount, if any, by which the tax paid on the land and forest crop because of classification under this chapter is less than the tax paid during the same period on similar land and forest crop that was not classified.

The assessor shall prepare a roll of lands to be removed from classification and shall extend against such lands the taxes computed as provided in this section, and shall forthwith transmit to the county treasurer a record of such taxes; and the county treasurer shall thereupon enter the amount of such taxes upon his records against such lands and their owner; and such taxes shall thereupon become a lien against such lands and timber and also against any forest material that may be cut thereon and against any other real or personal property owned by such owner. Such taxes shall become delinquent on the fifteenth day of March next following the effective date of the commission's order. The lien of such taxes shall be superior, and shall be enforceable, in the same manner and to the same effect as provided in RCW 84.28.140 for collection of yield taxes on materials removed from classified lands: PROVIDED, That payment of such taxes shall be a condition precedent to issuance of an order removing lands from classification pursuant to provisions of RCW 84.28.063: PROVIDED FURTHER, That an order classifying lands or removing lands from classification shall not be retroactive, but the effective date of such order shall not be earlier than the first day of January next following the date of issuance of such order.

Sec. 33. Section 84.28.090, chapter 15, Laws of 1961, as amended by section 10, chapter 214, Laws of 1963 and RCW 84.28.090 are each amended to read as follows:

All lands classified as reforestation lands as provided in

this chapter and lying west of the summit of the Cascade range of mountains in the state of Washington shall, after the date of such classification, be assessed for purposes of taxation at ~~((two))~~ eight dollars per acre, which is hereby declared to be the assessed value thereof; and all lands so classified lying east of the summit of the Cascade range of mountains shall be assessed for purposes of taxation at ~~((one))~~ four dollars per acre, which is hereby declared to be the assessed value thereof. The above values shall apply as the actual basis for taxation of such lands, without regard to any percentages of value which may apply for taxation of other classes of property; and the taxation of such lands on the basis herein provided shall be separate and distinct from and in addition to the cost of protecting such lands from fire as provided under the laws of Washington.

Sec. 34. Section 84.28.110, chapter 15, Laws of 1961, as last amended by section 153, chapter 81, Laws of 1971 and RCW 84.28.110 are each amended to read as follows: -V

Whenever the whole or any part of the forest crop shall be cut upon any lands classified and assessed as reforestation lands under the provisions of this chapter, the owner of such lands shall, on or before the fifteenth day of February of each year, report under oath to the assessor of the county in which such lands are located, the amount of such timber or other forest crop cut during the preceding twelve months, in units of measure in conformity with the usage for which the cutting was made, together with a description, by government legal subdivisions, of the lands upon which the same were cut. If no such report of cutting is made, or if the assessor shall believe the report to be inaccurate, incorrect or mistaken, the assessor may by such methods as shall be deemed advisable, determine the amount of timber or other forest product cut during such period. As soon as the report is filed, if the assessor is satisfied with the accuracy of the report, or if dissatisfied, as soon as the assessor shall have determined the amount of timber or forest crop cut as herein provided, the assessor shall determine the full current stumpage rates for the timber or forest crop cut and shall thereupon compute, and there shall become due and payable from the owner, a yield tax equal to ~~((twelve and one-half))~~ twenty-five percent of the market value of the timber or forest crop so cut, based upon the full current stumpage rates so fixed by the assessor: PROVIDED, Whenever within the period of twelve years following the classification of any lands as reforestation lands, any forest material shall be cut on such lands, the owner thereof shall be required to pay a yield tax of ~~((one))~~ two percent for each year that has expired from the date of such classification until such cutting: PROVIDED, FURTHER, That no yield tax need be paid on any forest material cut for domestic use of the owner of such lands, or on materials necessarily used in -V

V- harvesting the forest crop.

Whenever the owner is dissatisfied with the determination of the amount cut as made by the assessor, or with the full current stumpage rates as fixed by the assessor, and shall pay the tax based thereon under protest, such owner may maintain an action in the superior court of the county in which the lands are located for recovery of the amount of the tax paid in excess of what the owner alleges the tax would be if based upon a cutting or stumpage rate which the owner alleges to be correct. In any such action the county involved and the county assessor of the county, shall be joined as parties defendant, but in case a recovery is allowed, judgment shall be entered against the county only, to be charged against the funds to which the collected tax was paid. In such action the court shall determine, in accordance with the issues, the true and correct amount of timber and forest crop which has been cut, and if an issue in the case, the true and correct full current stumpage rates, and shall enter judgment accordingly, either dismissing the action, or allowing recovery based upon its determination of the amount of timber or forest crop cut and if in issue, the full current stumpage rate. The judgment of the superior court shall be subject to appeal to the supreme court or the court of appeals in the same manner and by the same procedure as appeals are taken and perfected in civil actions at law.

Sec. 35. Section 82.50.010, chapter 15, Laws of 1961 as amended by section 44, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.010 are each amended to read as follows:

"Mobile home" means all trailers of the type designed as facilities for human habitation and which are capable of being moved upon the public streets and highways and which are more than ~~((thirty-two))~~ thirty-five feet in length or more than eight feet in width, except as hereinafter specifically excluded, and excluding modular homes as defined below.

"Travel trailer" means all trailers of the type designed to be used upon the public streets and highways which are capable of being used as facilities for human habitation and which are ~~((thirty-two))~~ thirty-five feet or less in length and eight feet or less in width, except as may be hereinafter specifically excluded.

"Modular home" means any factory-built housing designed primarily for residential occupancy by human beings which does not contain a permanent frame and must be mounted on a permanent foundation.

"Camper" means a structure designed to be mounted upon a motor vehicle which provides facilities for human habitation or for temporary outdoor or recreational lodging and which is five feet or more in overall length and five feet or more in height from its floor

to its ceiling when fully extended, but shall not include motorhomes as defined in this section.

"Motor homes" means motor vehicles originally designed, reconstructed, or permanently altered to provide facilities for human habitation.

"Commission" means the department of revenue of the state.

"Director" means the director of motor vehicles of the state.

Sec. 36. Section 82.50.020, chapter 15, Laws of 1961 as last amended by section 1, chapter 69, Laws of 1969 and RCW 82.50.020 are each amended to read as follows:

An annual excise tax is imposed on the owner of any mobile home ~~((or))~~ travel trailer, or camper for the privilege of using such mobile home ~~((or))~~ travel trailer, or camper in this state. The tax shall be collected for each calendar year by the department of motor vehicles or the county auditor of the county in which the mobile home ~~((or))~~ travel trailer, or camper is located at the time payment is made and shall be due on and after January 1st or on the date the mobile home ~~((or))~~ travel trailer, or camper is first purchased or brought into this state, and paid on or before February 4th of each calendar year or thirty days after the mobile home ~~((or))~~ travel trailer, or camper is first purchased or brought into this state, whichever is later. No additional tax shall be imposed under this chapter upon any mobile home ~~((or))~~ travel trailer, or camper upon the transfer of ownership thereof, if the tax imposed by this chapter with respect to such mobile home ~~((or))~~ travel trailer, or camper has already been paid for the calendar year or fractional part thereof in which such transfer occurs.

Sec. 37. Section 82.50.030, chapter 15, Laws of 1961 as last amended by section 46, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.030 are each amended to read as follows:

The rate and measure of tax imposed by this chapter for each calendar year shall be ~~((one and one-half))~~ two percent of the fair market value of the mobile home ~~((or))~~ travel trailer, or camper, as determined in the manner provided in this chapter: PROVIDED, That the calendar year shall be divided into twelve parts corresponding to the months of the calendar year and the excise tax upon a mobile home ~~((or))~~ travel trailer, or camper used for the first time in this state after the last day of any month shall only be levied for the remaining months of the calendar year including the month in which the mobile home ~~((or))~~ travel trailer, or camper is first used: PROVIDED FURTHER, That the minimum amount of tax payable shall be two dollars.

A mobile home ~~((or))~~ travel trailer, or camper shall be deemed used for the first time in this state when such vehicle or such camper was not previously licensed by this state for the year or

any part thereof immediately preceding the year in which application for license is made.

Sec. 38. Section 82.50.040, chapter 15, Laws of 1961 as amended by section 47, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.040 are each amended to read as follows:

The classification and schedule prepared under RCW 82.44.040 for mobile homes (~~(or)~~), travel trailers, or campers used as facilities for human habitation shall be the schedule used by the county auditors and the director for determining the amount of tax due hereunder.

Sec. 39. Section 82.50.050, chapter 15, Laws of 1961 as amended by section 48, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.050 are each amended to read as follows:

The tax hereunder for any mobile home (~~(or)~~), travel trailer, or camper not classified as provided in RCW 82.44.040 shall be determined as provided in RCW 82.44.050 for mobile homes (~~(or)~~), travel trailers, or campers used as facilities for human habitation.

Sec. 40. Section 82.50.070, chapter 15, Laws of 1961 as last amended by section 2, chapter 69, Laws of 1969 and RCW 82.50.070 are each amended to read as follows:

The county auditor or the department of motor vehicles upon payment of the tax hereunder shall issue a receipt which shall include such information as may be required by the director, including the name of the taxpayer, a description of the mobile home (~~(or)~~), travel trailer, or camper, and in the case of a mobile home its location at the time of payment of the tax which receipt shall be printed by the department of motor vehicles in such form as it deems proper and furnished by the department to the various county auditors of the state. The county auditor shall keep a record of the excise taxes paid hereunder during the calendar year under the name of owners of mobile home (~~(or)~~), travel trailer, or camper, listed alphabetically.

In addition thereto the county auditor or the director shall issue a license plate and register the mobile home or travel trailer as if they were "house trailers" under the provisions of chapter 46.16 and shall collect the additional fees therein provided. Such license plate shall be displayed in the manner prescribed in RCW 46.16.240: PROVIDED, That when the mobile home or travel trailer is not using the public highways the license plate shall be displayed pursuant to rules or orders promulgated by the department.

Sec. 41. Section 82.50.101, chapter 15, Laws of 1961 as amended by section 50, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.101 are each amended to read as follows:

The director or his authorized representative shall have power to enter at reasonable times all mobile home parks and other areas

where mobile homes, ((or)) travel trailers, or campers are parked for the purpose of determining whether or not the tax herein prescribed has been paid. The records required to be kept under RCW 19.48.020 shall be open to inspection by the director or his representative.

Sec. 42. Section 82.50.105, chapter 15, Laws of 1961 as last amended by section 51, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.105 are each amended to read as follows:

On or before the thirty-first day of December of each calendar year, the director shall cause to be mailed to the owners of mobile homes ((or)) travel trailers, or campers, of record, notice of the amount of tax payable during the calendar year. Said notice shall contain a legal description of the mobile home ((or)) travel trailer, or camper, prominent notice of penalties, due dates, and such other information as may be required by the director. If payment is not made within thirty days of the issuance of said notice, the director may forward a notification of delinquency to the county sheriff of the county wherein the mobile home ((or)) travel trailer, or camper is located, requesting distraint of said mobile home ((or)) travel trailer, or camper.

Sec. 43. Section 82.50.110, chapter 15, Laws of 1961 as last amended by section 52, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.110 are each amended to read as follows:

If any excise tax due hereunder is not paid when due and payable, the unpaid tax shall bear interest at the rate of six percent per annum from the time such tax is due and payable.

The tax hereunder shall be a specific lien on the mobile home ((or)) travel trailer, or camper from and after the date it first becomes due hereunder, and shall include all charges authorized by this chapter, which lien shall have priority to and be fully paid and satisfied before any recognizance, mortgage, judgment, debt, obligation or responsibility to or with which the mobile home ((or)) travel trailer, or camper may become charged or liable, after July 1, 1957, and no sale or transfer of any mobile home ((or)) travel trailer, or camper shall in any way affect the lien for such excise tax upon the mobile home ((or)) travel trailer, or camper.

Sec. 44. Section 82.50.120, chapter 15, Laws of 1961 as last amended by section 53, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.120 are each amended to read as follows:

It shall be unlawful for any owner or other person to remove a mobile home ((or)) travel trailer, or camper from the real property on which it is situated after the tax hereunder shall become due and payable without payment of the excise tax hereunder or under RCW 82.44.020.

Sec. 45. Section 82.50.130, chapter 15, Laws of 1961 as amended by section 54, chapter 149, Laws of 1967 ex. sess. and RCW

82.50.130 are each amended to read as follows:

When notified by the director that the excise tax is delinquent on any mobile home ((or)) travel trailer, or camper, the sheriff shall personally serve the owner in the manner provided for service of summons in civil actions or post thereon in a conspicuous place, a notice of delinquency, supplied by the director, which shall contain a description of the mobile home ((or)) travel trailer, or camper, the amount of excise tax due, together with accrued interest, the penalty, and the sheriff shall add thereto his fee for service or posting of the notice, which shall be the same as for the service of summons in a civil action, with fees for mileage based on the number of miles from the county seat of the county to the location of the mobile home ((or)) travel trailer, or camper, and the name of the owner or reputed owner, if such is known. Thereafter, the sheriff may without further demand or notice, distrain the mobile home ((or)) travel trailer, or camper for the payment of tax, together with the penalty and accrued interest, and the costs and fees.

If he shall determine that it is reasonably impracticable to take manual possession of the mobile home ((or)) travel trailer, or camper, it shall be deemed to have been distrained and taken into possession when the sheriff posts thereon in a conspicuous place, a notice in writing reciting that he has distrained such mobile home ((or)) travel trailer, or camper, describing it and giving the name of the owner or reputed owner, if such is known, the amount of the tax due, together with the penalty, accrued interest, costs and fees, and the time when and the place where the sale, as hereinafter provided shall be made.

The director shall forward by registered or certified mail a copy of the notice of delinquency herein provided to the legal owner recorded with the director pursuant to chapter 46.12.

Sec. 46. Section 82.50.140, chapter 15, Laws of 1961 as amended by section 55, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.140 are each amended to read as follows:

If the tax is not paid forthwith after distraint, the sheriff shall advertise the sale of the mobile home ((or)) travel trailer, or camper by posting written notices in three public places in the county in which the mobile home ((or)) travel trailer, or camper is located, one of which shall be at the county court house of such county, and by posting a written notice on the mobile home ((or)) travel trailer, or camper in a conspicuous place, if he has not taken manual possession of it. Such notices shall state the time when and the place where the mobile home ((or)) travel trailer, or camper will be sold. He shall tax the same fees for making the distraint and sale of the mobile home ((or)) travel trailer, or camper for the payment of taxes as are allowed him by law for making levy and sale

of property on execution, traveling fees to be computed from the county seat of the county to the place of making distraint. If the taxes for which the mobile home ~~((or))~~ travel trailer, or camper is distrained, together with the penalty, accrued interest, and costs and fees accruing thereon, are not paid before the date appointed for such sale, which shall be not less than ten days after the distraint and taking of such mobile home ~~((or))~~ travel trailer, or camper and posting of the notices, the sheriff shall proceed to sell the mobile home ~~((or))~~ travel trailer, or camper at public auction. After deducting the costs and fees, he shall pay to the county auditor the amount to pay the taxes, the penalty and accrued interest to the date of sale, if there is sufficient to do so, and, if there is any overplus of money arising from the sale, he shall pay such overplus to the owner of the mobile home ~~((or))~~ travel trailer, or camper so sold or to his legal representative, who shall be deemed to be the county treasurer in the event the owner or other legal representative cannot be determined or found.

Sec. 47. Section 82.50.160, chapter 15, Laws of 1961 as amended by section 1, chapter 274, Laws of 1969 ex. sess. and RCW 82.50.160 are each amended to read as follows:

The county auditor shall regularly, when remitting motor vehicle excise taxes, pay to the state treasurer the excise taxes collected under this chapter. The treasurer shall then distribute such funds quarterly on the first day of the month of January, April, July and October of each year in the following amount: ~~((Twenty))~~ Fifteen percent to cities and towns for the use thereof apportioned ratably among such cities and towns on the basis of population; ~~((twenty))~~ fifteen percent to counties for the use thereof to be apportioned ratably among such counties on the basis of moneys collected in such counties from the excise taxes imposed under this chapter; and ~~((sixty))~~ seventy percent for schools to be distributed by the superintendent of public instruction and apportioned ratably among such school districts on the basis of moneys collected in such districts from the excise taxes imposed under this chapter. ~~((No portion))~~ Fifty percent of the funds distributed to school districts under this section shall be considered available revenues of the school district in computing state equalization support under RCW ~~((28-41-430))~~ 29A.41.130.

Sec. 48. Section 82.50.180, chapter 15, Laws of 1961 as amended by section 56, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.180 are each amended to read as follows:

The following mobile homes ~~((or))~~ travel trailers, or campers are specifically exempted from the operation of this chapter:

(1) Any unoccupied mobile home ~~((or))~~ travel trailer, or camper when it is part of an inventory of mobile homes ~~((or))~~ travel

trailers, or campers held for sale by a manufacturer or dealer in the course of his business.

(2) A mobile home ((or)) travel trailer, or camper owned by any government or political subdivision thereof.

(3) A mobile home ((or)) travel trailer, or camper owned by a nonresident and currently licensed in another state, unless such mobile home ((or)) travel trailer, or camper shall remain in this state for a period of ninety days or more during the calendar year.

For the purposes of this subsection only, a camper owned by a nonresident shall be considered licensed in another state if the vehicle to which such camper is attached is currently licensed in another state.

(4) Mobile homes or travel trailers eligible to be used under a set of dealer's license plates, and taxed under RCW 82.44.030 while so eligible.

(5) A mobile home which has substantially lost its identity as a mobile unit by virtue of being permanently fixed in location upon land owned by the owner of the mobile home and placed on a permanent foundation, subsequent to the removal of the hitch, wheels and axles of said unit, and with fixed pipe connections with sewer, water or other utilities.

Following the permanent placement of said mobile home as provided herein, and upon the request of the owner, made to the county assessor, the assessor shall confirm compliance with the conditions of this subsection and if the unit so qualifies, the unit will be entered on the real property tax rolls of the involved county, and said unit shall be exempted from the provisions of this chapter from and after the date it is assessed as a part of the real property.

Sec. 49. Section 82.50.190, chapter 15, Laws of 1961 as last amended by section 1, chapter 225, Laws of 1969 ex. sess. and RCW 82.50.190 are each amended to read as follows:

No mobile home ((or)) travel trailer, or camper which is a part of the inventory of mobile homes ((or)) travel trailers, or campers held for sale by a dealer in the course of his business and no mobile home ((or)) travel trailer, or camper with respect to which the excise tax imposed by this chapter is payable shall be listed and assessed for ad valorem taxation.

Notwithstanding any provision of law to the contrary, on January 1, 1972, any owner of a camper who has failed to list his camper for the purposes of ad valorem taxation shall be relieved of any liability for such failure.

Sec. 50. Section 82.50.200, chapter 15, Laws of 1961 as amended by section 58, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.200 are each amended to read as follows:

Mobile homes ((or)) , travel trailers, or campers taxed and licensed under the provisions of this chapter shall be entitled to the use of the public streets and highways subject to the provisions of the motor vehicle laws of this state except as herein otherwise provided.

Sec. 51. Section 82.44.030, chapter 15, Laws of 1961 and RCW 82.44.030 are each amended to read as follows:

Every dealer in motor vehicles, for the privilege of using any motor vehicle eligible to be used under a set of dealer's license plates, shall pay an excise tax of two dollars, and such tax shall be collected upon the issuance of each original set of dealer's license plates, and also a similar tax shall be collected upon the issuance of each set of dealer's duplicate license plates, which taxes shall be in addition to any tax otherwise payable under this chapter; PROVIDED, That no dealer's license plates shall be required on any camper as defined in RCW 82.50.010 when the motor vehicle carrying such camper is using dealer license plates.

NEW SECTION. Sec. 52. There is added to chapter 82.44 RCW a new section to read as follows:

The department of revenue and association of county assessors shall include campers on the schedule prepared by them as required under RCW 82.44.040 and any unlisted campers shall be appraised in the same manner as motor vehicles as provided in RCW 82.44.050.

NEW SECTION. Sec. 53. (1) Sections 35 through 52 and section 54 of this 1971 amendatory act shall take effect on July 1, 1971, except that the provisions of chapter 82.50 RCW imposing a tax on campers shall not take effect until January 1, 1972.

(2) Sections 36 through 50 of this 1971 amendatory act shall be operative and in effect only until and including December 31, 1972, at which time, they, in their entirety, shall expire without any further action of the legislature. The expiration of such sections shall not be construed as affecting any existing right acquired under the expired statutes, nor as affecting any proceeding instituted thereunder, nor any rule, regulation, or order promulgated thereunder, nor any administrative action taken thereunder.

(3) Sections 55 through 76 of this 1971 amendatory act shall take effect on January 1, 1973 without any further action of the legislature.

Sec. 54. Section 82.44.010, chapter 15, Laws of 1961 as last amended by section 4, chapter 121, Laws of 1967 and RCW 82.44.010 are each amended to read as follows:

For the purposes of this chapter, unless context otherwise requires:

"Motor vehicle" means all motor vehicles, trailers and semi-trailers used, or of the type designed primarily to be used,

upon the public streets and highways, for the convenience or pleasure of the owner, or for the conveyance, for hire or otherwise, of persons or property, including fixed loads and facilities for human habitation; but shall not include (1) vehicles carrying exempt licenses, (2) dock and warehouse tractors and their cars or trailers, lumber carriers of the type known as spiders, and all other automotive equipment not designed primarily for use upon public streets, or highways, (3) motor vehicles or their trailers used entirely upon private property, (4) ~~((house trailers))~~ mobile homes and travel trailers as defined in RCW 82.50.010, or (5) motor vehicles owned by nonresident military personnel of the armed forces of the United States stationed in the state of Washington provided personnel were also nonresident at the time of their entry into military service.

"Commission" or "tax commission" means the ~~((tax commission))~~ department of revenue of the state.

NEW SECTION. Sec. 55. There is added to chapter 82.50 RCW a new section to read as follows:

An annual excise tax is imposed on the owner of any travel trailer or camper for the privilege of using such travel trailer or camper in this state. The tax shall be collected for each calendar year by the department of motor vehicles or the county auditor of the county in which the travel trailer or camper is located at the time payment is made and shall be due on and after January 1st or on the date the travel trailer or camper is first purchased or brought into this state, and paid on or before January 31st of each calendar year or thirty days after the travel trailer or camper is first purchased or brought into this state, whichever is later. No additional tax shall be imposed under this chapter upon any travel trailer or camper upon the transfer of ownership thereof, if the tax imposed by this chapter with respect to such travel trailer or camper has already been paid for the calendar year or fractional part thereof in which such transfer occurs.

NEW SECTION. Sec. 56. There is added to chapter 82.50 RCW a new section to read as follows:

The rate and measure of tax imposed by this chapter for each calendar year shall be two percent of the fair market value of the travel trailer or camper, as determined in the manner provided in this chapter: PROVIDED, That the calendar year shall be divided into twelve parts corresponding to the months of the calendar year and the excise tax upon a travel trailer or camper used for the first time in this state after the last day of any month shall only be levied for the remaining months of the calendar year including the month in which the travel trailer or camper is first used: PROVIDED FURTHER, That the minimum amount of tax payable shall be two dollars.

A travel trailer or camper shall be deemed used for the first time in this state when such vehicle was not previously licensed by this state for the year or any part thereof immediately preceding the year in which application for license is made.

NEW SECTION. Sec. 57. There is added to chapter 82.50 RCW a new section to read as follows:

The classification and schedule prepared under RCW 82.44.040 for travel trailers or campers used as facilities for human habitation shall be the schedule used by the county auditors and the director for determining the amount of tax due hereunder.

NEW SECTION. Sec. 58. There is added to chapter 82.50 RCW a new section to read as follows:

The tax hereunder for any travel trailer or camper not classified as provided in RCW 82.44.040 shall be determined as provided in RCW 82.44.050 for travel trailers or campers used as facilities for human habitation.

NEW SECTION. Sec. 59. There is added to chapter 82.50 RCW a new section to read as follows:

The county auditor or the department of motor vehicles upon payment of the tax hereunder shall issue a receipt which shall include such information as may be required by the director, including the name of the taxpayer and a description of the travel trailer or camper, which receipt shall be printed by the department of motor vehicles in such form as it deems proper and furnished by the department to the various county auditors of the state. The county auditor shall keep a record of the excise taxes paid hereunder during the calendar year under the name of owners of travel trailers or campers, listed alphabetically.

NEW SECTION. Sec. 60. There is added to chapter 82.50 RCW a new section to read as follows:

The director or his authorized representative shall have power to enter at reasonable times all mobile home parks and any other areas where travel trailers or campers are parked for the purpose of determining whether or not the tax herein prescribed has been paid. The records required to be kept under RCW 19.48.020 shall be open to inspection by the director or his representative.

NEW SECTION. Sec. 61. There is added to chapter 82.50 RCW a new section to read as follows:

On or before the fifteenth day of February of each calendar year, the director shall cause to be mailed to the owners of travel trailers or campers, of record, notice of the amount of tax payable during the calendar year. Said notice shall contain a legal description of the travel trailer or camper, prominent notice of penalties, due dates, and such other information as may be required by the director. If payment is not made within thirty days of the

issuance of said notice, the director may forward a notification of delinquency to the county sheriff of the county wherein the travel trailer or camper is located, requesting distraint of said travel trailer or camper.

NEW SECTION. Sec. 62. There is added to chapter 82.50 RCW a new section to read as follows:

If any excise tax due hereunder is not paid when due and payable, the unpaid tax shall bear interest at the rate of six percent per annum from the time such tax is due and payable.

The tax hereunder shall be a specific lien on the travel trailer or camper from and after the date it first becomes due hereunder, and shall include all charges authorized by this chapter, which lien shall have priority to and be fully paid and satisfied before any recognizance, mortgage, judgment, debt, obligation or responsibility to or with which the travel trailer or camper may become charged or liable, after July 1, 1957, and no sale or transfer of any travel trailer or camper shall in any way affect the lien for such excise tax upon the travel trailer or camper.

NEW SECTION. Sec. 63. There is added to chapter 82.50 RCW a new section to read as follows:

It shall be unlawful for any owner or other person to remove a travel trailer or camper from the real property on which it is situated after the tax hereunder shall become due and payable without payment of the excise tax hereunder or under RCW 82.44.020.

NEW SECTION. Sec. 64. There is added to chapter 82.50 RCW a new section to read as follows:

When notified by the director that the excise tax is delinquent on any travel trailer or camper, the sheriff shall personally serve the owner in the manner provided for service of summons in civil actions or post thereon in a conspicuous place, a notice of delinquency, supplied by the director, which shall contain a description of the travel trailer or camper, the amount of excise tax due, together with accrued interest, the penalty, and the sheriff shall add thereto his fee for service or posting of the notice, which shall be the same as for the service of summons in a civil action, with fees for mileage based on the number of miles from the county seat of the county to the location of the travel trailer or camper, and the name of the owner or reputed owner, if such is known. Thereafter, the sheriff may without further demand or notice, distraint the travel trailer or camper for the payment of tax, together with the penalty and accrued interest, and the costs and fees.

If he shall determine that it is reasonably impracticable to take manual possession of the travel trailer or camper, it shall be deemed to have been distrained and taken into possession when the

sheriff posts thereon in a conspicuous place, a notice in writing reciting that he has distrained such travel trailer or camper, describing it and giving the name of the owner or reputed owner, if such is known, the amount of the tax due, together with the penalty, accrued interest, costs and fees, and the time when and the place where the sale, as hereinafter provided, shall be made.

The director shall forward by registered or certified mail a copy of the notice of delinquency herein provided to the legal owner recorded with the director pursuant to chapter 46.12 RCW.

NEW SECTION. Sec. 65. There is added to chapter 82.50 RCW a new section to read as follows:

If the tax is not paid forthwith after distraint, the sheriff shall advertise the sale of the travel trailer or camper by posting written notices in three public places in the county in which the travel trailer or camper is located, one of which shall be at the county court house of such county, and by posting a written notice on the travel trailer or camper in a conspicuous place, if he has not taken manual possession of it. Such notices shall state the time when and the place where the travel trailer or camper will be sold. He shall tax the same fees for making the distraint and sale of the travel trailer or camper for the payment of taxes as are allowed him by law for making levy and sale of property on execution, traveling fees to be computed from the county seat of the county to the place of making distraint. If the taxes for which the travel trailer or camper is distrained, together with the penalty, accrued interest, and costs and fees accruing thereon, are not paid before the date appointed for such sale, which shall be not less than ten days after the distraint and taking of such travel trailer or camper and posting of the notices, the sheriff shall proceed to sell the travel trailer or camper at public auction. After deducting the costs and fees, he shall pay to the county auditor the amount to pay the taxes, the penalty and accrued interest to the date of sale, if there is sufficient to do so, and, if there is any overplus of money arising from the sale, he shall pay such overplus to the owner of the travel trailer or camper so sold or to his legal representative, who shall be deemed to be the county treasurer in the event the owner or other legal representative cannot be determined or found.

NEW SECTION. Sec. 66. There is added to chapter 82.50 RCW a new section to read as follows:

The county auditor shall regularly, when remitting motor vehicle excise taxes, pay to the state treasurer the excise taxes collected under this chapter. The treasurer shall then distribute such funds quarterly on the first day of the month of January, April, July and October of each year in the following amount: Fifteen percent to cities and towns for the use thereof apportioned ratably

among such cities and towns on the basis of population; fifteen percent to counties for the use thereof to be apportioned ratably among such counties on the basis of moneys collected in such counties from the excise taxes imposed under this chapter; and seventy percent for schools to be distributed by the superintendent of public instruction and apportioned ratably among such school districts on the basis of moneys collected in such districts from the excise taxes imposed under this chapter. All of the funds distributed to school districts under this section shall be considered available revenues of the school district in computing state equalization support under RCW 28A.41.130.

NEW SECTION. Sec. 67. There is added to chapter 82.50 RCW a new section to read as follows:

The following travel trailers or campers are specifically exempted from the operation of this chapter:

(1) Any unoccupied travel trailer or camper when it is part of an inventory of travel trailers or campers held for sale by a manufacturer or dealer in the course of his business.

(2) A travel trailer or camper owned by any government or political subdivision thereof.

(3) A travel trailer or camper owned by a nonresident and currently licensed in another state, unless such travel trailer or camper shall remain in this state for a period of ninety days or more during the calendar year.

For the purposes of this subsection only, a camper owned by a nonresident shall be considered licensed in another state if the vehicle to which such camper is attached is currently licensed in another state.

(4) Travel trailers eligible to be used under a set of dealer's license plates, and taxed under RCW 82.44.030 while so eligible.

NEW SECTION. Sec. 68. There is added to chapter 82.50 RCW a new section to read as follows:

No mobile home, travel trailer, or camper which is a part of the inventory of mobile homes, travel trailers, or campers held for sale by a dealer in the course of his business and no travel trailer or camper with respect to which the excise tax imposed by this chapter is payable shall be listed and assessed for ad valorem taxation.

NEW SECTION. Sec 69. There is added to chapter 82.50 RCW a new section to read as follows:

Travel trailers or campers taxed and licensed under the provisions of this chapter shall be entitled to the use of the public streets and highways subject to the provisions of the motor vehicle laws of this state except as herein otherwise provided.

Sec. 70. Section 84.04.090, chapter 15, Laws of 1961 and RCW 84.04.090 are each amended to read as follows:

The term "real property" for the purposes of taxation shall be held and construed to mean and include the land itself, whether laid out in town lots or otherwise, and all buildings, structures or improvements or other fixtures of whatsoever kind thereon, except improvements upon lands the fee of which is still vested in the United States, or in the state of Washington, and all rights and privileges thereto belonging or in any wise appertaining, except leases of real property and leasehold interests therein for a term less than the life of the holder; and all substances in and under the same; all standing timber growing thereon, except standing timber owned separately from the ownership of the land upon which the same may stand or be growing; and all property which the law defines or the courts may interpret, declare and hold to be real property under the letter, spirit, intent and meaning of the law for the purposes of taxation. Except for the purposes of chapters 84.56 and 84.60 RCW, the term real property shall also include a mobile home which has substantially lost its identity as a mobile unit by virtue of its being permanently fixed in location upon land owned or leased by the owner of the mobile home and placed on a permanent foundation with fixed pipe connections with sewer, water, or other utilities.

Sec. 71. Section 84.36.110, chapter 15, Laws of 1961 and RCW 84.36.110 are each amended to read as follows:

The following property shall be exempt from taxation:

(1) All household goods and furnishings in actual use by the owner thereof in equipping and outfitting his or her residence or place of abode and not for sale or commercial use, and all personal effects held by any person for his or her exclusive use and benefit and not for sale or commercial use.

(2) The personal property, other than specified in subdivision (1) hereof, of each head of a family liable to assessment and taxation of which such individual is the actual and bona fide owner to an amount of three hundred dollars of actual values: PROVIDED, That this exemption shall not apply to any private motor vehicle, or mobile home, and; PROVIDED, FURTHER, That if the county assessor is satisfied that all of the personal property of any person is exempt from taxation under the provisions of this statute or any other statute providing exemptions for personal property, no listing of such property shall be required; but if the personal property described in subdivision (2) of this section exceeds in value the amount allowed as exempt, then a complete list of said personal property shall be made as provided by law, and the county assessor shall deduct the amount of the exemption authorized by this subdivision from the total amount of the assessment and assess the

remainder.

Sec. 72. Section 84.36.120, chapter 15, Laws of 1961 and RCW 84.36.120 are each amended to read as follows:

For the purposes of RCW 84.36.110 "head of a family" shall be construed to include a widow, any person receiving an old age pension under the laws of this state and any citizen of the United States, over the age of sixty-five years, who has resided in the state of Washington continuously for ten years.

"Personal effects" shall be construed to mean and include such tangible property as usually and ordinarily attends the person such as wearing apparel, jewelry, toilet articles and the like.

"Private motor vehicle" shall be construed to mean and include all motor vehicles used for the convenience or pleasure of the owner and carrying a licensing classification other than motor vehicle for hire, auto stage, auto stage trailer, motor truck, motor truck trailer or dealers' licenses.

"Mobile home" shall be construed to mean and include all trailers of the type designed as facilities for human habitation and which are capable of being moved upon the public streets and highways and which are more than thirty-five feet in length or more than eight feet in width.

NEW SECTION. Sec. 73. There is added to chapter 82.50 RCW a new section to read as follows:

The provisions of chapter 82.50 RCW shall remain applicable to mobile homes through December 31, 1972. All mobile homes subject to the property tax shall be listed and assessed for the first time on January 1, 1972 and such tax shall be paid during 1973 in accordance with the laws of this state.

NEW SECTION. Sec. 74. There is added to chapter 84.40 RCW a new section to read as follows:

The director of revenue shall prepare a schedule of the value of mobile homes for property tax purposes. A copy of such schedule shall be sent to all county assessors and to the director of the department of motor vehicles.

NEW SECTION. Sec. 75. There is added to chapter 84.40 RCW a new section to read as follows:

Every person who wilfully avoids the payment of personal property taxes on mobile homes subject to such tax under the laws of this state shall be guilty of a misdemeanor.

NEW SECTION. Sec. 76. At the expiration of December 31, 1972 and simultaneously with the taking effect of sections 55 through 76 of this 1971 amendatory act, the following acts and parts of acts are hereby repealed:

(1) Section 82.50.020, chapter 15, Laws of 1961, section 45, chapter 149, Laws of 1967 ex. sess., section 1, chapter 69, Laws of

1969 and RCW 82.50.020;

(2) Section 82.50.030, chapter 15, Laws of 1961, section 7, chapter 199, Laws of 1963, section 29, chapter 173, Laws of 1965 ex. sess., section 46, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.030;

(3) Section 82.50.040, chapter 15, Laws of 1961, section 47, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.040;

(4) Section 82.50.050, chapter 15, Laws of 1961, section 48, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.050;

(5) Section 82.50.070, chapter 15, Laws of 1961, section 49, chapter 149, Laws of 1967 ex. sess., section 2, chapter 69, Laws of 1969 and RCW 82.50.070;

(6) Section 82.50.101, chapter 15, Laws of 1961, section 50, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.101;

(7) Section 82.50.105, chapter 15, Laws of 1961, section 8, chapter 199, Laws of 1963, section 1, chapter 92, Laws of 1965 ex. sess., section 51, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.105;

(8) Section 82.50.110, chapter 15, Laws of 1961, section 2, chapter 92, Laws of 1965 ex. sess., section 52, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.110;

(9) Section 82.50.120, chapter 15, Laws of 1961, section 9, chapter 199, Laws of 1963, section 53, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.120;

(10) Section 82.50.130, chapter 15, Laws of 1961, section 54, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.130;

(11) Section 82.50.140, chapter 15, Laws of 1961, section 55, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.140;

(12) Section 82.50.160, chapter 15, Laws of 1961, section 1, chapter 274, Laws of 1969 ex. sess. and RCW 82.50.160;

(13) Section 82.50.180, chapter 15, Laws of 1961, section 56, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.180;

(14) Section 28, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.185;

(15) Section 82.50.190, chapter 15, Laws of 1961, section 57, chapter 149, Laws of 1967 ex. sess., section 1, chapter 225, Laws of 1969 ex. sess. and RCW 82.50.190; and

(16) Section 82.50.200, chapter 15, Laws of 1961, section 58, chapter 149, Laws of 1967 ex. sess. and RCW 82.50.200.

Such repeals shall not be construed as affecting any existing right acquired under the statutes repealed, nor as affecting any proceeding instituted thereunder, nor any rule, regulation or order promulgated thereunder, nor any administrative action taken thereunder.

Sec. 77. Section 82.26.020, chapter 15, Laws of 1961 as

amended by section 25, chapter 173, Laws of 1965 ex. sess. and RCW 82.26.020 are each amended to read as follows:

(1) From and after June 1, (~~(1965)~~) 1971, there is levied and there shall be collected a tax upon the sale, use, consumption, handling, or distribution of all tobacco products in this state at the rate of (~~(thirty)~~) forty-five percent of the wholesale sales price of such tobacco products. Such tax shall be imposed at the time the distributor (a) brings, or causes to be brought, into this state from without the state tobacco products for sale, (b) makes, manufactures, or fabricates tobacco products in this state for sale in this state, or (c) ships or transports tobacco products to retailers in this state, to be sold by those retailers.

(2) A floor stocks tax is hereby imposed upon every distributor of tobacco products at the rate of twenty-five percent of the wholesale sales price of each tobacco product in his possession or under his control on July 1, 1959.

Each distributor, within twenty days after July 1, 1959 shall file a report with the commission, in such form as the commission may prescribe, showing the tobacco products on hand on July 1, 1959 and the amount of tax due thereon.

The tax imposed by this subdivision shall be due and payable within twenty days after July 1, 1959 and thereafter shall bear interest at the rate of one percent per month.

NEW SECTION. Sec. 78. If any phrase, clause, subsection or section of this 1971 amendatory act shall be declared unconstitutional or invalid by any court of competent jurisdiction, it shall be conclusively presumed that the legislature would have enacted this 1971 amendatory act without the phrase, clause, subsection or section so held unconstitutional or invalid and the remainder of the act shall not be affected as a result of said part being held unconstitutional or invalid.

NEW SECTION. Sec. 79. This 1971 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 as follows:

(1) Sections 1 through 12, 15 through 34 and 53 shall take effect July 1, 1971;

(2) Sections 13, 14, and 77 and 78 shall take effect June 1, 1971; and

(3) Sections 35 through 52 and 54 through 76 shall take effect as provided in section 53.

Passed the Senate May 10, 1971.

Passed the House May 10, 1971.

Approved by the Governor May 21, 1971 with the exception of

certain sections which are vetoed. Filed in Office of Secretary of State May 21, 1971.

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

"...Section 19 of this bill is an amendment to RCW 82.32.090, and provides for an increase in the penalty for delinquent state excise taxes from 2% to 5%. The effective date of this section is, in accordance with section 79 of the bill, July 1, 1971.

Veto
Message

RCW 82.32.090 was also amended by section 1 of Substitute House Bill No. 461 which I have already signed. Section 1 of Substitute House Bill No. 461 not only increases the penalty from 2% to 5%, but also provides that taxes accrued, though not collected, in the last month of the fiscal year shall be credited to that fiscal year rather than the succeeding fiscal year. Further, the effective date of these provisions is June 1, 1971.

In order to avoid any inconsistency between section 19 of Engrossed Substitute Senate Bill No. 897 and section 1 of Substitute House Bill 461 as to effective dates, I have vetoed section 19.

I have also vetoed sections 26 through 31, which establish a 3.6% compensating excise tax upon the use of electrical energy sold at retail by the Bonneville Power Administration to its industrial customers. The purpose of these provisions is an excellent one, in that they compensate for the fact that these sales of electrical energy cannot be made subject to the 3.6% public utility tax imposed upon retail sales of electrical energy by other sellers, such as private power companies, public utility districts, and municipal utility systems.

However, special circumstances require a veto of these provisions at this time. For these industrial customers of the Bonneville Power Administration will be making contributions in the amount of approximately three million dollars annually as part of the additional costs of keeping in operation the "N" Reactor at Hanford. This will allow continuous operation of the Hanford No. 1 steam generating plant of Washington Public Power Supply System, which is essential for the economic welfare of the state.

In view of this unexpected and heavy burden upon these industrial customers, I feel the additional burden of the proposed compensating tax is unwarranted at this time. However, consideration must certainly be given to imposing this tax at the expiration of the agreements providing for the contributions from these industrial customers, approximately three years hence.

Veto
Message

I have also vetoed section 32 and 34, which raise the yield tax applicable to timber on classified reforestation lands under chapter 84.28 RCW from twelve and one-half to twenty-five percent of the timber value. Pursuant to Substitute Senate Bill No. 849, which I have signed today, a study is to be made of the problem of integrating taxation of land and timber now classified under chapter 84.28 RCW into the provisions of Substitute Senate Bill No. 849. I believe that any legislative action with respect to changing the rates of the yield tax under chapter 84.28 RCW should await the results of this study.

With the exception of sections 19, 26 through 32, and 34, the remainder of the bill is approved."

CHAPTER 300

[Senate Bill No. 884]

HOUSING AUTHORITIES--

SUPPLEMENTAL PROJECTS

AN ACT Relating to housing authorities; amending section 35.82.030, chapter 7, Laws of 1965 and RCW 35.82.030; and adding a new section to chapter 35.82 RCW.

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

V- Section 1. Section 35.82.030, chapter 7, Laws of 1965 and RCW 35.82.030 are each amended to read as follows:

In each city (as herein defined) and in each county of the state there is hereby created a public body corporate and politic to be known as the "Housing Authority" of the city or county: PROVIDED, HOWEVER, That such authority shall not transact any business or exercise its powers hereunder until or unless the governing body of the city or the county, as the case may be, by proper resolution shall declare at any time hereafter that there is need for an authority to function in such city or county. The determination as to whether or not there is such need for an authority to function (1)