

interest on and retirement of the bonds authorized by this act. The state finance committee shall, on or before June 30 of each year, certify to the state treasurer the amount needed in the ensuing twelve months to meet bond retirement and interest requirements, and on July 1 of each year, the state treasurer shall deposit such amount in the community college capital improvements bond redemption fund of 1972 from moneys transmitted to the state treasurer by the department of revenue and certified by the department of revenue to be retail sales tax collections. Such amount certified by the state finance committee to the state treasurer shall be a prior charge against all retail sales tax revenues of the state of Washington, except that portion thereof heretofore pledged for the payment of bond principal and interest.

The owner and holder of each of the bonds or the trustee for any of the bonds may by mandamus or other appropriate proceeding require the transfer and payment of funds as directed herein.

NEW SECTION. Sec. 11. The legislature may provide additional means for raising moneys for the payment of the principal and interest of the bonds authorized herein, and this act shall not be deemed to provide an exclusive method for such payment.

NEW SECTION. Sec. 12. The bonds herein authorized shall be a legal investment for all state funds or for funds under state control and for all funds of municipal corporations.

NEW SECTION. Sec. 13. Upon adoption and ratification by the people as provided for in section 7 of this act, sections 1 through 12 herein shall constitute a new chapter in Title 28B RCW.

Passed the House February 18, 1972.

Passed the Senate February 17, 1972.

Approved by the Governor February 25, 1972.

Filed in Office of Secretary of State February 28, 1972.

CHAPTER 134

[Engrossed Substitute House Bill No. 414]

BUSINESS AND OCCUPATION TAX--GROUP TRAINING HOMES EXEMPTION--
LOCAL FEES OR TAXES--FINANCIAL INSTITUTIONS--OTHER BUSINESSES

AN ACT Relating to revenue and taxation; amending section 79, chapter 235, Laws of 1945 as amended by section 1, chapter 101, Laws of 1970 ex. sess. and RCW 33.28.040; and amending section 3, chapter 81, Laws of 1970 ex. sess. and RCW 82.04.385; adding new sections to Title 82 RCW; adding a new section to chapter 35.21 RCW; adding a new section to chapter 35A.82 RCW; and

prescribing effective dates.

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

Section 1. Section 3, chapter 81, Laws of 1970 ex. sess. and RCW 82.04.385 are each amended to read as follows:

This chapter shall not apply to income received from the department of social and health services for the cost of care, maintenance, support, and training of mentally retarded persons at nonprofit group training homes as defined by RCW 72.33.800(2) or to the gross sales or gross income received by nonprofit organizations from the operation of "sheltered workshops". For the purposes of this section, "sheltered workshops" means rehabilitation facilities, or that part of rehabilitation facilities, where any manufacture or handiwork is carried on and which is operated for the primary purpose of (1) providing gainful employment or rehabilitation services to the handicapped as an interim step in the rehabilitation process for those who cannot be readily absorbed in the competitive labor market or during such time as employment opportunities for them in the competitive labor market do not exist; or (2) providing evaluation and work adjustment services for handicapped individuals.

NEW SECTION. Sec. 2. The governing body of any city or town which imposes a license fee or tax, by ordinance or resolution, may pursuant to sections 2 through 5 of this 1972 amendatory act only, fix and impose a license fee or tax on national banks, state banks, trust companies, mutual savings banks, building and loan associations, savings and loan associations, and other financial institutions for the act or privilege of engaging in business: PROVIDED, That the definitions, deductions and exemptions set forth in RCW 82.04, insofar as they shall be applicable shall be applied to a license fee or tax imposed by any city or town, if such fee or tax is measured by the gross income of the business: PROVIDED FURTHER, That the rate of such license fee or tax shall not exceed the rate imposed upon other service type business activity: AND PROVIDED FURTHER, That nothing in sections 2 through 5 of this 1972 amendatory act shall extend the regulatory power of any city or town.

NEW SECTION. Sec. 3. For purposes of section 2 of this 1972 amendatory act, the state department of revenue is hereby authorized and directed to promulgate, pursuant to the provisions of chapter 34.04 RCW, rules establishing uniform methods of division of gross income of the business of a single taxpayer between those cities, towns and unincorporated areas in which such taxpayer has a place of business.

Sec. 4. Section 79, chapter 235, Laws of 1945 as amended by section 1, chapter 101, Laws of 1970 ex. sess. and RCW 33.28.040 are each amended to read as follows:

The fees herein provided for shall be in lieu of all other corporation fees, licenses, or excises for the privilege of doing business, except for business and occupation taxes imposed pursuant to chapter 82.04 RCW, and except for license fees or taxes imposed by a city or town under section 2 of this 1972 amendatory act, notwithstanding any other provisions of this section.

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

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

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

NEW SECTION. Sec. 5. No resolution or ordinance or any amendment thereto adopted pursuant to section 2 of this 1972 amendatory act shall be effective, except on the first day of a calendar month.

NEW SECTION. Sec. 6. There is added to chapter 35.21 RCW a new section to read as follows:

Any city which imposes a license fee or tax upon business activities consisting of the making of retail sales of tangible personal property which are measured by gross receipts or gross income from such sales, shall impose such tax at a single uniform rate upon all such business activities. This section shall not apply to any business activities subject to the tax imposed by chapter 82.16 RCW.

NEW SECTION. Sec. 7. There is added to chapter 35A.82 RCW a new section to read as follows:

Any code city which imposes a license fee or tax upon business activities consisting of the making of retail sales of tangible personal property which are measured by gross receipts or gross income from such sales, shall impose such tax at a single uniform rate upon all such business activities. This section shall not apply to any business activities subject to the tax imposed by chapter 82.16 RCW.

NEW SECTION. Sec. 8. Sections 2 through 5 of this 1972 amendatory act shall take effect July 1, 1972.

NEW SECTION. Sec. 9. Sections 2, 3, and 5 are added to and shall constitute a new chapter in Title 82 RCW to be known as chapter

82.14A.

Passed the House February 20, 1972.

Passed the Senate February 19, 1972.

Approved by the Governor February 25, 1972.

Filed in Office of Secretary of State February 28, 1972.

CHAPTER 135

[Engrossed House Bill No. 469]

MOTOR VEHICLES--SMOKE CONTROL--SPECIAL FUEL TAX

AN ACT Relating to motor vehicles; providing for smoke control; amending section 46.37.390, chapter 12, Laws of 1961 as amended by section 3, chapter 232, Laws of 1967 and RCW 46.37.390; and amending section 4, chapter 175, Laws of 1971 ex. sess. and RCW 82.38.080 *[82.38.030].

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

Section 1. Section 46.37.390, chapter 12, Laws of 1961 as amended by section 3, chapter 232, Laws of 1967 and RCW 46.37.390 are each amended to read as follows:

(1) Every motor vehicle shall at all times be equipped with a muffler in good working order and in constant operation to prevent excessive or unusual noise, and no person shall use a muffler cut-out, bypass or similar device upon a motor vehicle on a highway.

(2) ((The engine and power mechanism of every motor vehicle shall be so equipped and adjusted as to prevent the escape of excessive fumes or smoke-)) (a) No motor vehicle first sold and registered as a new motor vehicle on or after January 1, 1971 shall discharge into the atmosphere at elevations of less than three thousand feet any air contaminant for a period of more than ten seconds which is:

(i) As dark as or darker than the shade designated as No. 1 on the Ringelmann chart, as published by the United States bureau of mines; or

(ii) Of such opacity as to obscure an observer's view to a degree equal to or greater than does smoke described in subsection (a) (i) above.

(b) No motor vehicle first sold and registered prior to January 1, 1971 shall discharge into the atmosphere at elevations of less than three thousand feet any air contaminant for a period of more than ten seconds which is:

(i) As dark as or darker than the shade designated as No. 2 on the Ringelmann chart, as published by the United State bureau of