

"I return herewith, without my approval as to one Veto  
item, Substitute House Bill No. 1005 entitled: Message

"AN ACT Relating to inheritance taxes."

This act would exempt from inheritance taxes certain pension benefits available, among others, to those employed in higher education. Senate Bill No. 2119 also makes provision for such exemptions but, in so doing, uses different language to amend the same section of law. In order to avoid the necessity of further amendment in the future to reconcile the conflicting language, an item in section one of Substitute House Bill No. 1005 must be deleted. Deleting this item will have no substantive effect in light of the provisions in Senate Bill 2119, which I have approved.

Accordingly, for the reasons set out above, I have determined to veto the one item in section one of Substitute House Bill No. 1005."

CHAPTER 222

[Engrossed Substitute Senate Bill No. 2328]

HIGHWAYS BUDGET

AN ACT Relating to highways; making appropriations for the operations and capital improvements of the state highway commission, the urban arterial board, and the Washington toll bridge authority; and declaring an emergency.

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

NEW SECTION. Section 1. The budget of the Washington state highway commission is hereby adopted and, subject to the provisions hereinafter set forth, the several amounts hereinafter specified, or so much thereof as shall be necessary to accomplish the purposes designated, are hereby appropriated from the motor vehicle fund to the state highway commission and are authorized to be disbursed for salaries, wages, and other state highway commission expenses for obligations incurred and not paid as of July 1, 1973, for capital projects and for other specified purposes for the biennium ending June 30, 1975:

PROGRAM C, CONSTRUCTION

For the location, design, right of way, and construction of state highways, including state highways in urban areas in accordance with RCW 47.26.040 through 47.26.070, and for the improvement and

construction of buildings, other highway plant structures and ferry and toll facilities, and for associated supervision and direct support ..... \$388,531,497: PROVIDED, That the Washington state highway commission may transfer any funds authorized within this appropriation to Program P, "General Supervision, Planning and Research" to meet the terms of the Vernita Toll Bridge bond covenants and RCW 47.56.702, or Program M, "Physical Maintenance and Operations" for expenditure: PROVIDED FURTHER, That the appropriation contained in this section for Program C, "Construction" shall include the proceeds of bonds authorized by RCW 47.26.400 through 47.26.407 remaining unsold on July 1, 1973 but not to exceed \$35,000,000: PROVIDED FURTHER, That a deviation of not more than 5% of the \$13,254,046 programmed for Program C-1 shall be spent: PROVIDED FURTHER, That the highway commission shall expend approximately \$1,900,000 for SR 90, 136th Place S.E. undercrossing. Said structure shall be designed with singular columns at each bent with the northerly terminus at the Southwest corner of Bellevue Community College, together with the required frontage road connections taking into consideration accessibility for Metro Transit as to ingress and egress:

PROVIDED FURTHER, That the highway commission is hereby authorized and directed to expend \$4,000,000, or so much thereof as may be necessary and available, for construction of the four lane facility on State Route 16 between milepost 18.93 near Olympic Drive and milepost 26.78 near Tremont Road if the highway commission encounters unavoidable delays in designing, acquiring right of way, or constructing state highway improvements as provided in the budget of the highway commission adopted by this act: PROVIDED FURTHER, That the highway commission is hereby authorized and directed to expend \$100,000, or so much thereof as may be necessary, for design of the required number of snowsheds and approach roadways on State Route 20 between Newhalem and the vicinity of Diablo; and that the highway commission is further authorized and directed to expend \$1,500,000, or so much thereof as may be necessary and available, for construction of the required number of snowsheds and approach roadways on State Route 20 between Newhalem and the vicinity of Diablo if the highway commission encounters unavoidable delays in designing, acquiring right of way, or constructing state highway improvements as provided in the budget of the highway commission adopted by this act: PROVIDED FURTHER, That the Highway Commission is hereby authorized and directed to expend \$731,500 or so much thereof as shall be necessary and available for overlays and other construction improvements on SR 27 from the south city limits of Tekoa to the north city limits of Fairfield, if the highway commission encounters unavoidable delays in designing, acquiring right of way, or constructing state highway improvements as provided

v in the budget of the highway commission adopted by this act: PROVIDED FURTHER, That, in view of the imminent plans of the city of Seattle for construction of the West Seattle freeway, the highway commission is hereby authorized and directed to expend not to exceed \$1,000,000 or so much thereof as may be necessary and available for preliminary engineering and design of that portion of the West Seattle freeway interchange with SR 99 which the highway commission finds to be a state responsibility if the highway commission encounters unavoidable delays in designing, acquiring right of way, or constructing state highway improvements as provided in the budget of the highway commission adopted by this act: PROVIDED FURTHER, That, in view of the fact that traffic on SR 20 between SR 5 and Sedro Woolley exceeds capacity by ten percent and with the opening of the North Cascades highway is expected to exceed capacity by eighty-five percent in 1973, the highway commission is hereby authorized and directed to expend not to exceed \$900,000 or so much thereof as may be necessary and available for preliminary engineering, design and acquisition of right of way for SR 20 from a junction with SR 5 to Sedro Woolley if the highway commission encounters unavoidable delays in designing, acquiring right of way, or constructing state highway improvements as provided in the budget of the highway commission adopted by this act: PROVIDED FURTHER, That the highway commission is hereby authorized and directed to expend \$140,000 or so much thereof as may be necessary for construction of an additional lane to make a three lane off-ramp for northbound traffic on SR 5 in south Snohomish county at northeast 205th street at Swamp Creek if the highway commission encounters unavoidable delays in designing, acquiring right of way, or constructing state highway improvements as provided in the budget of the highway commission adopted by this act: PROVIDED FURTHER, That the highway commission is hereby authorized and directed to expend approximately \$2,000,000 or so much thereof as may be necessary for design, right of way acquisition and construction of a connecting roadway between SR 164 in the vicinity of the Auburn Academy and connecting with SR 18 by the most direct route if the highway commission encounters unavoidable delays in designing, acquiring right of way, or constructing state highway improvements as provided in the budget of the highway commission adopted by this act: PROVIDED FURTHER, That the highway commission is hereby authorized and directed to designate that portion of SR 395 between Pasco and Connell to its proper priority within its functional class in order to substantially complete programmed construction improvements for the 1973-79 period no later than July 1, 1975, if the highway commission encounters unavoidable delays in designing, acquiring right of way, or constructing state highway improvements as provided in the budget of the highway commission adopted by this act: PROVIDED

FURTHER, That no moneys as appropriated herein shall be expended during the 1973-75 biennium on the Mottman Interchange on Highway 101, being Project No. 132C of PROGRAM C, CONSTRUCTION and moneys appropriated herein for such Mottman Interchange as foresaid shall be expended for location, design, right of way and construction of the Randall Road Interchange on Highway 101, being Project No. 132A: AND PROVIDED FURTHER, That if any moneys herein appropriated are expended for the location, design, or construction of an additional lane or lanes to state route number 522 between N. E. 110th Street and 68th Avenue N. E. then such location, design, or construction shall permit and encourage the exclusive use of such lane or lanes during peak traffic periods by motor vehicles which are a part of an urban mass transit system.

It is the intent of the legislature that the highway commission expedite completion of the manpower utilization study and development of appropriate nonexpenditure workload performance criteria, in coordination with the legislative transportation committee or standing transportation and utilities committees of the senate and house and the office of program planning and fiscal management for early implementation in the 1973-75 biennium; and to complete the manpower utilization study and development of appropriate nonexpenditure workload performance criteria by June 1, 1974; and to prepare the 1975-77 biennium budget request based on such developed nonexpenditure workload performance criteria in order to support budgeted man-years at the district level for preliminary engineering, right of way and construction engineering activities on projects to be included in the 1975-77 biennium construction program. A progress report on the results of such development and implementation shall be presented to the next session of the legislature convening after December 31, 1973.

#### PROGRAM M, PHYSICAL MAINTENANCE AND OPERATIONS

For Program M maintenance and operation of state highways, maintenance and operation of highway plant, and associated supervision and direct support ..... \$69,050,809: PROVIDED, That the Washington state highway commission may transfer any funds authorized within this appropriation to Program C, "Construction" for expenditure: PROVIDED FURTHER, That a deviation of not more than 5% of the \$5,702,482 programmed for Program M-1 shall be spent: PROVIDED FURTHER, That all funds included in this appropriation for deferred maintenance shall be expended during the 1973-75 biennium.

#### PROGRAM P, GENERAL SUPERVISION, PLANNING AND RESEARCH

For the operations of the Washington state highway commission, department of highways, including programs for executive management and general support, highway planning surveys and research by the Washington state highway commission and for research and studies

approved by the Washington state highway commission and the legislative transportation committee or the standing transportation committees of the senate and house. Also, for the supervision and operation of the toll facilities section; any necessary increase in stores; for necessary pit and stockpile sites and write-off of obsolete pits and stockpiles ..... \$24,029,203: PROVIDED, That if necessary to meet the terms of the Vernita Toll Bridge bond covenants and RCW 47.56.702, the highway commission shall make available from this appropriation up to \$100,000 for each of the Fiscal Years 1974 and 1975: Such allocation shall constitute a loan repayable from extended bridge toll revenues: PROVIDED FURTHER, That the Washington state highway commission may transfer any funds authorized within this appropriation to Program C, "Construction" or Program M, "Physical Maintenance and Operations" for expenditure: PROVIDED FURTHER, That not to exceed \$13,509,530 will be expended for Program P-1, Executive Management and General Support.

It is the intent of the legislature that the highway commission devote special attention to the development of appropriate procedures for support and implementation of the comprehensive study activities of the legislative transportation committee, or the standing committees on transportation and utilities of the senate and house during the interim between legislative sessions in the 1973-75 biennium.

NEW SECTION. Sec. 2. The budget for the urban arterial board is hereby adopted and there is hereby appropriated from the urban arterial trust account in the motor vehicle fund to the urban arterial board for the biennium ending June 30, 1975 ..... \$68,180,687 or so much thereof as may be necessary for implementing and administering the program of financial assistance to cities and counties in urban areas for urban arterial highways, roads and streets: PROVIDED, That said appropriation shall include ..... \$49,000,000 proceeds from the sale of bonds authorized by RCW 47.26.420 through 47.26.427: PROVIDED FURTHER, That during the 1973-1975 biennium the urban arterial board shall not authorize any additional projects which in the board's judgment cannot be placed under contract for construction within eighteen months from date of authorization: PROVIDED FURTHER, That in event proceeds of motor vehicle fuel tax revenue distributed in accordance with RCW 82.36.020 are insufficient to meet the debt service requirements on bonds sold in accordance with RCW 47.26.420, funds for such debt service deficits shall be provided in accordance with RCW 47.26.425 and 47.26.426: PROVIDED FURTHER, That not to exceed \$573,687 will be expended for administrative expenses.

NEW SECTION. Sec. 3. There is hereby appropriated to the Washington toll bridge authority for the biennium ending June 30,

1975, from the Puget Sound Reserve account in the motor vehicle fund ..... \$4,032,114 or so much thereof as may be necessary to carry out the provisions of RCW 47.60.420, and from the Puget Sound capital construction account in the motor vehicle fund ..... \$4,158,834 or so much thereof as may be necessary to design and construct new, or modify existing, ferry vessels and terminals, and to plan and improve transportation facilities for the crossing of Puget Sound and any of its tributary waters:

PROVIDED, That only expenditures up to \$1,000,000 shall be made from funds authorized by this appropriation from the Puget Sound capital construction account until all funds expended by the state highway commission in accordance with section 4, chapter 290, Laws of 1971 extraordinary session have been repaid to the motor vehicle fund to be used for state highway purposes:

PROVIDED FURTHER, That \$2,838,315, or so much thereof as may be necessary, of the funds authorized by this appropriation shall be utilized for the acquisition of two high-speed all-weather advanced marine vessels capable of sustained speeds in excess of 40 knots while meeting high ride quality standards in Puget Sound waters. The vessels may be used for ferry service demonstration purposes: PROVIDED, HOWEVER, The ferry service existing at the time of the adoption of this 1973 Act serving Bremerton and Seattle and Winslow and Seattle shall not be diminished without the approval of the toll bridge authority, the legislative transportation committee, and the standing committees on transportation and utilities of the House and Senate: PROVIDED FURTHER, That the \$2,838,315 shall be expended only upon approval of capital grant assistance applications submitted by the toll bridge authority to the urban mass transportation administration for capital facilities and equipment necessary to develop an integrated intermodal land and high-speed over-the-water walk-on transportation system: PROVIDED FURTHER, That the intermodal demonstration project will be targeted for initial demonstration service during the 1973-75 biennium, and following one year of operational service by the high-speed vessels, a recommendation as to the overall capital equipment requirements of the ferry system shall be prepared by the toll bridge authority with the cooperation and approval of the legislative transportation committee and the standing committees on transportation and utilities of the House and Senate, which recommendation shall be submitted to the next following session of the legislature: PROVIDED FURTHER, That a program plan for this project, including objectives, tasks, participants, responsibilities, cost estimates and a summary schedule will be presented by July 1, 1973 to the legislative transportation committee and the standing committees on transportation and utilities of the house and senate for review and approval, and from the Puget Sound ferry operations account in the motor vehicle fund .....\$1,118,000 so much thereof

as may be necessary for the operation and maintenance of the ferry system to supplement ferry tolls; PROVIDED FURTHER, That any moneys

V- accruing to the Puget Sound ferry operations account in excess of this appropriation and any part of this appropriation that will be unexpended pursuant to certification by the toll bridge authority or highway commission to the office of program planning and fiscal management shall forthwith be transferred from said account and the total of such moneys shall be distributed as follows:

- (a) ten percent to the cities and towns of the state;
- (b) thirty-three percent to the counties of the state; and
- (c) fifty-seven percent to the state to be expended as

provided by RCW 46.68.130:

PROVIDED FURTHER, That there is hereby appropriated from the motor vehicle fund to the toll bridge authority the sum of ninety thousand dollars for the purchase prior to September 1, 1973 of the assets of Olympic Ferries, Inc., such assets to include all ramps, docks, piers, loading and unloading facilities and real property or real property interests used therewith and further to include the certificate of convenience and necessity for ferry service between Port Townsend and Keystone and further to include any other assets but not to include a warehouse or storage facility located in the vicinity of Port Townsend: PROVIDED FURTHER, That the toll bridge

authority and the highway commission are hereby directed to prepare a 6-year program of capital construction improvements in consultation with the legislative transportation committee or standing transportation and utilities committees of the senate and house for submission to the 1975 legislature.

NEW SECTION. Sec. 4. There is hereby appropriated from the motor vehicle fund to the Washington state highway commission for the biennium ending June 30, 1975, the sum of \$2,840 to pay the unsatisfied portion of a judgment against the state of Washington, department of highways in Thurston county cause number 37973.

NEW SECTION. Sec. 5. There is hereby appropriated from the general fund to the Washington state highway commission \$111,144 for supportive services to off-the-job training programs for highway construction workers: PROVIDED, That this appropriation or so much thereof as shall be necessary shall be expended on or before June 30, 1975 and shall be fully reimbursable from federal funds authorized by P.L. 91-605, Title 1.

NEW SECTION. Sec. 6. The state highway commission is hereby authorized to undertake the following study in cooperation with the interested local jurisdictions and to report its findings and recommendations in connection therewith to the legislative transportation committee and to the standing committees of the legislature on transportation and utilities by August, 1974:

(1) The highway commission with the cooperation of the legislative transportation committee and the standing committees on transportation and utilities of the House and Senate shall conduct a study of the most feasible method to allow the general public, through the state, to regain and share a portion of the private economic benefits which are conferred on adjacent property owners by the expenditures of public moneys for the construction and improvement of public transportation facilities including highways, roads, and streets and to expedite the construction of such transportation improvements. The following proposals shall be considered and included in the findings and recommendations.

(a) That the ad valorem taxes levied by the state or by any taxing district be segregated so that the taxes levied against any increase in the true and fair value of real property, which increase is attributable to the construction or planned construction of a public transportation facility, shall be used to reimburse prior public expenditures or to pay any indebtedness incurred for that project.

(b) That subsequent to the first official public announcement that a public transportation facility is to be developed, an excise tax be levied upon all real estate transactions involving properties lying within a specified distance of any point of access to such transportation facility. A fixed percentage of the increased valuation of such a land parcel being transferred within a specified period of time following such announcement shall be paid to the public transportation agency. In the event no real estate transaction has occurred within that specified period of time, other methods of recouping a reasonable part of the unrealized gains shall be developed.

(c) That a local improvement district be formed to assist in the financing of the development of a proposed public transportation facility within a specified distance of the access points of such facility. Varying rates could be applied as the distance from the access points increases.

(d) That a public transportation agency be allowed, within appropriate limitations and safeguards, to acquire rights of way beyond the limits of the proposed transportation facility itself in anticipation of a later resale of such properties to aid in the financing of the transportation facility.

(e) That upon the first public announcement of a proposed public transportation facility, the fair market value of all lands, or parts thereof, within a specified distance of the proposed facility, shall be discounted for any subsequent increases in value attributable to the transportation improvement when the necessary rights of way are acquired.

(2) Based on the findings and recommendations of the results of the study outlined under subsection (1) of this section the department of highways, in cooperation with the interested local jurisdictions, shall study methods by which the design, acquisition of rights of way, and construction of an interchange at state route number 5 and state route number 525 from the Swamp Creek interchange at state route number 5 to 164th Street, southwest, in south Snohomish county can be financed.

(3) There is hereby appropriated from the motor vehicle fund to the Washington state highway commission and the legislative transportation committee and the standing committees on transportation and utilities of the House and Senate the sum of seventy-five thousand dollars or so much thereof as may be necessary to conduct the studies outlined under subsections (1) and (2) of this section: PROVIDED, That the study under subsection (2) of this section shall be undertaken only if the interested local jurisdictions agree to pay fifty percent of the cost thereof, up to a maximum amount not to exceed twenty-five thousand dollars.

NEW SECTION. Sec. 7. Notwithstanding the provisions of chapter 144, Laws of 1973, expenditures by state agencies from unanticipated receipts deposited in the contingency receipts fund may be made for obligations incurred prior to June 30, 1973.

NEW SECTION. Sec. 8. Agencies are hereby authorized and directed to pay their share of the 1971-73 unemployment compensation costs in accordance with section 19, chapter 3, Laws of 1971, as determined by the Employment Security Department, from their 1973-75 appropriations. The director of the office of program planning and fiscal management may require agencies to place funds in reserve status in order to assure that funds will be available for the purpose of this section.

NEW SECTION. Sec. 9. If any provisions of this act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 10. This act is necessary for the immediate preservation of the public peace, health and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the Senate April 15, 1973.

Passed the House April 15, 1973.

Approved by the Governor April 26, 1973, with the exception of several items in Section 1 and Section 3 which are vetoed.

Filed in Office of Secretary of State April 26, 1973.

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

"I am filing herewith to be transmitted to the Senate at the next session of the Legislature, without my approval as to several items, Engrossed Substitute Senate Bill No. 2328, entitled:

Veto  
Message

"AN ACT Relating to highways."

Engrossed Substitute Senate Bill 2328, as passed by the Legislature, provided operating and capital appropriations for the Department of Highways, the Toll Bridge Authority, and the Urban Arterial Board for the biennial period fiscal 1974 and 1975.

I have signed Engrossed Substitute Senate Bill 2328 with the following exceptions:

Page 2, Section 1, Line 12, beginning with "PROVIDED FURTHER" and continuing through the remainder of page 2, all of page 3, and through line 29 of page 4, ending with the word "system"; delete entirely, as follows:

"PROVIDED FURTHER, That the highway commission is hereby authorized and directed to expend \$4,000,000, or so much thereof as may be necessary and available, for construction of the four lane facility on State Route 16 between milepost 18.93 near Olympic Drive and milepost 26.78 near Tremont Road if the highway commission encounters unavoidable delays in designing, acquiring right of way, or constructing state highway improvements as provided in the budget of the highway commission adopted by this act:

PROVIDED FURTHER, That the highway commission is hereby authorized and directed to expend \$100,000, or so much thereof as may be necessary, for design of the required number of snowsheds and approach roadways on State Route 20 between Newhalem and the vicinity of Diablo; and that the highway commission is further authorized and directed to expend \$1,500,000, or so much thereof as may be necessary and available, for construction of the required number of snowsheds and approach roadways on State Route 20 between Newhalem and the vicinity of Diablo if the highway commission encounters unavoidable delays in designing, acquiring right of way, or constructing state highway

improvements as provided in the budget of the highway commission adopted by this act: PROVIDED FURTHER, That the Highway Commission is hereby authorized and directed to expend \$731,500 or so much thereof as shall be necessary and available for overlays and other construction improvements on SR 27 from the south city limits of Tekoa to the north city limits of Fairfield, if the highway commission encounters unavoidable delays in designing, acquiring right of way, or constructing state highway improvements as provided in the budget of the highway commission adopted by this act: PROVIDED FURTHER, That, in view of the imminent plans of the city of Seattle for construction of the West Seattle freeway, the highway commission is hereby authorized and directed to expend not to exceed \$1,000,000 or so much thereof as may be necessary and available for preliminary engineering and design of that portion of the West Seattle freeway interchange with SR 99 which the highway commission finds to be a state responsibility if the highway commission encounters unavoidable delays in designing, acquiring right of way, or constructing state highway improvements as provided in the budget of the highway commission adopted by this act: PROVIDED FURTHER, That, in view of the fact that traffic on SR 20 between SR 5 and Sedro Woolley exceeds capacity by ten percent and with the opening of the North Cascades highway is expected to exceed capacity by eighty-five percent in 1973, the highway commission is hereby authorized and directed to expend not to exceed \$900,000 or so much thereof as may be necessary and available for preliminary engineering, design and acquisition of right of way for SR 20 from a junction with SR 5 to Sedro Woolley if the highway commission encounters unavoidable delays in designing, acquiring right of way, or constructing state highway improvements as provided in the budget of the highway commission adopted by this act: PROVIDED FURTHER, That the highway commission is hereby authorized and directed to expend \$140,000 or so much thereof as may be necessary for construction of an additional lane to make a three lane off-ramp for northbound traffic on SR 5 in south Snohomish county at northeast 205th street at Swamp Creek if the highway commission encounters unavoidable delays in designing, acquiring right of way, or constructing state highway improvements as provided in the budget of the highway commission adopted by this act: PROVIDED FURTHER, That the

Veto  
Message

highway commission is hereby authorized and directed to expend approximately \$2,000,000 or so much thereof as may be necessary for design, right of way acquisition and construction of a connecting roadway between SR 164 in the vicinity of the Auburn Academy and connecting with SR 18 by the most direct route if the highway commission encounters unavoidable delays in designing, acquiring right of way, or constructing state highway improvements as provided in the budget of the highway commission adopted by this act: PROVIDED FURTHER, That the highway commission is hereby authorized and directed to designate that portion of SR 395 between Pasco and Connell to its proper priority within its functional class in order to substantially complete programmed construction improvements for the 1973-79 period no later than July 1, 1975, if the highway commission encounters unavoidable delays in designing, acquiring right of way, or constructing state highway improvements as provided in the budget of the highway commission adopted by this act: PROVIDED FURTHER, That no moneys as appropriated herein shall be expended during the 1973-75 biennium on the Mottman Interchange on Highway 101, being Project No. 132C of PROGRAM C, CONSTRUCTION and moneys appropriated herein for such Mottman Interchange as foresaid shall be expended for location, design, right of way and construction of the Randall Road Interchange on Highway 101, being Project No. 132A; AND PROVIDED FURTHER, That if any moneys herein appropriated are expended for the location, design, or construction of an additional lane or lanes to state route number 522 between N.E. 110th Street and 68th Avenue N.E. then such location, design, or construction shall permit and encourage the exclusive use of such lane or lanes during peak traffic periods by motor vehicles which are a part of an urban mass transit system."

Veto  
Message

On page 7, Section 3, lines 15 through 20, I have vetoed the following item: following the word "waters": "PROVIDED, That only expenditures up to \$1,000,000 shall be made from funds authorized by this appropriation from the Puget Sound capital construction account until all funds expended by the State Highway Commission in accordance with Section 4, Chapter 290, Laws of 1971 extraordinary session have been repaid to the Motor Vehicle Fund to be used for state highway purposes."

On page 8, Section 3, Lines 21 through 31, following

"tolls", delete:

Veto  
Message

"PROVIDED FURTHER, That any moneys accruing to the Puget Sound ferry operations account in excess of this appropriation and any part of this appropriation that will be unexpended pursuant to certification by the toll bridge authority or highway commission to the Office of Program Planning and Fiscal Management shall forthwith be transferred from said account and the total of such moneys shall be distributed as follows:

- (a) ten percent to the cities and towns of the state;
- (b) thirty-three percent to the counties of the state; and
- (c) fifty-seven percent to the state to be expended as provided by RCW 46.68.130:"

On pages 8 and 9, Section 3, lines 32 through 33 on page 8 and lines 1 through 8 on page 9; beginning with "PROVIDED" and ending with "Townsend":

"PROVIDED FURTHER, That there is hereby appropriated from the Motor Vehicle Fund to the toll bridge authority the sum of ninety thousand dollars to purchase prior to September 1, 1973, of the assets of Olympia Ferries, Inc., such assets to include all ramps, docks, piers, loading and unloading facilities and real property interests used therewith and further to include the certificate of convenience and necessity for ferry service between Port Townsend and Keystone and further to include any other assets but not to include a warehouse or storage facility located in the vicinity of Port Townsend."

I have stricken the first item for the purpose of maintaining the integrity of the legislatively-mandated priority program system. The legislative declaration of purpose expressed intent very succinctly as to the requirement for such a system.

RCW 47.05.010 "The legislature finds that anticipated revenues available for state highways for the foreseeable future will fall substantially short of the

amount required to satisfy all of the state highway needs. It is the purpose of this chapter to establish a policy of priority programming for highway development having as its basis the rational selection of projects according to factual need, systematically scheduled to carry out defined objectives within limits of money and manpower, and fixed in advance with reasonable flexibility to meet changed conditions." Veto  
Message

I find that with such scarcity of funds as cited above becoming even more pressing, and the requirements for evaluation correspondingly more essential, I have stricken these provisions that relate to specific projects in order to preserve the methodology of systematic planning in the state process. Therefore, it is recognized that these projects will be specifically evaluated in the on-going highway planning process. I am confident that as a result of such review a number of these projects will be initiated or accomplished in the next biennium.

In recent years there has been concern expressed regarding the potential influence of the Governor should he be in a position to appoint the Secretary of a Department of Transportation. I find it difficult to reconcile this concern with the large number of special interest projects that I have just deleted from this portion of SSB 2328.

The second item, detailing as priority the repayment of the 1971 ferry construction loan, has been stricken. After consultation with the affected agency, I have stricken this to enable the state to acquire federal funds, if available, and thus to achieve a significant experiment in cross-sound transportation. The loaned funds are secure to the highway system of the state; and at the same time, a major advance in citizen facilities and convenience is made possible.

Item three provided for redistribution of excess to appropriation or required Puget Sound ferry operations account funds. After review of the entire budget, I have stricken this provision for the following reasons. First, the fast passenger boat experiment is an unknown cost factor. Until such time as the operational cost estimates have been compiled, such a redistribution would constitute a hazard to the effort. Second, the ferry operation, in

its entirety, is under review. Finally, I note that the transportation study bill, Engrossed Substitute Senate Bill 2748 calls for a study of the total funding system for transportation as well as the requirement for a separate study of the various ferry funding mechanisms. Such a redistribution would thus be premature.

Veto  
Message

The fourth item stricken is that of mandating the terms and conditions of acquisition of a portion of the assets of Olympic Ferries, Inc., Chapter 44, Laws of 1972, Second Extraordinary Session, authorized the Toll Bridge Authority and the Highway Commission to operate a ferry service between Port Townsend and Keystone in the event that the present privately owned corporation operating the service discontinued service and surrendered its certificate of convenience and necessity. This has not occurred. The terms of purchase listed in the subject proviso include purchase of the said certificate, which constitutes essentially purchase of a privilege which is given by the state on the condition that requirements of the public are met. Until such time as the subject private operator determines that he no longer wishes to provide the service, the terms of Chapter 44, Laws of 1972 (2nd Ex. Sess.) should prevail. At that point, the citizens of the State of Washington should not be required to purchase a privilege which they have granted but which is no longer desired by the holder. In summary, the possible purchase by the state of this operation should be determined by existing statutes and negotiation as to the value of assets.

With the exception of the items described above, the remainder of the bill is approved."