

The second part of Engrossed Senate Bill 33 states flatly that Public Law 874 funds may never be considered by the state to be available revenues of local school districts. This second provision in the act is not necessary to qualify local districts for federal impact funds.

If the bill becomes law in this form, the superintendent of public instruction could not take into consideration federal impact funds in allocating state support for local schools, even if Congress should recede from its position in accordance with our request and with the request of other states similarly affected.

I have vetoed this second item in order that the superintendent may consider Public Law 874 funds as local revenue in determining state school support in the event that Congress should act in accordance with our request. I have also vetoed the companion provision in Part II of the bill.

The remainder of Engrossed Senate Bill 33 is approved."

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CHAPTER 139  
[Engrossed Senate Bill No. 105]  
USE FUEL TAX--AIRCRAFT FUEL TAX--  
MOTOR VEHICLE EXCISE

**AN ACT** Relating to revenue and taxation; amending section 82.40.040, chapter 15, Laws of 1961 and RCW 82.40.040; amending section 82.40.046, chapter 15, Laws of 1961 and RCW 82.40.046; amending section 82.40.050, chapter 15, Laws of 1961, as amended by section 1, chapter 33, Laws of 1965 ex. sess., and RCW 82.40.050; amending section 6, chapter 10, Laws of 1967 ex. sess. and RCW 82.42.060; and amending section 82.44.070, chapter 15, Laws of 1961 and RCW 82.44.070.

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

Section 1. Section 82.40.040, chapter 15, Laws of 1961 and RCW 82.40.040 are each amended to read as follows:

The excise tax imposed hereunder with respect to the use of fuel during any calendar month shall be due and payable on or before the twentieth day of the immediately succeeding calendar month; PROVIDED, That for good cause shown the director may allow quarterly payments; however, with respect to delivery into the fuel supply tank

of a noncommercial passenger vehicle by a person licensed to sell or otherwise distribute fuel in this state, the tax shall be paid to the person making such delivery who shall report and remit the tax collected as provided for users.

Sec. 2. Section 82.40.046, chapter 15, Laws of 1961 and RCW 82.40.046 are each amended to read as follows:

There is exempted from the tax imposed by this chapter, the use of fuel for publicly owned fire fighting equipment, street and highway construction and maintenance purposes ((;)) and in motor vehicles owned and operated by the state of Washington, or any county or municipality, and in special mobile equipment as defined in RCW 46.04.552 as is now or hereafter amended.

Sec. 3. Section 82.40.050, chapter 15, Laws of 1961, as amended by section 1, chapter 33, Laws of 1965 ex. sess., and RCW 82.40.050 are each amended to read as follows:

It shall be unlawful for any person to use fuel within this state unless a use fuel tax permit has been issued to him as provided herein and shall not have been revoked. Applications for such permits must be made to the director upon forms prescribed by him and shall set forth such information as he may require. On receipt ~~((of an application))~~ and approval of an application and a bond as required in RCW 82.40.130, the director shall issue to the applicant a use fuel tax permit authorizing such applicant to use fuel within this state. Such permit shall be valid only for the person in whose name it is issued and shall be valid until revoked or canceled.

A vehicle identification card shall be issued ~~((without-charge))~~ by the director upon application by a user holding an unrevoked use fuel tax permit, shall show the number of such permit and shall identify the motor vehicle with respect to which it is issued. Each such vehicle identification card shall be carried on each motor vehicle in connection with which fuel is used by the permit holder.

Sec. 4. Section 6, chapter 10, Laws of 1967 ex. sess. and RCW 82.42.060 are each amended to read as follows:

~~((All-of-the-provisions-of-RCW-82.36.040-relating-to-time-of-payment-of-tax;-penalties-and-interest-on-delinquent-payments-and-the-director's-certificate-as-prima-facie-evidence-shall-be-applicable-to-the-two-cents-per-gallon))~~ The amount of aircraft fuel excise tax imposed under RCW 82.42.020 for each month shall be paid to the director on or before the twenty-fifth day of the month thereafter, and if not paid prior thereto, shall become delinquent at the close of business on that day, and a penalty of ten percent of such excise tax must be added thereto for delinquency. Any aircraft fuel tax, penalties, and interest payable under the provisions of this chapter shall bear interest at the rate of one percent per month, or fraction thereof, from the first day of the calendar month after the close of the monthly period for which the amount or any portion thereof should have been paid until the date of payment. The provisions of RCW 82.36.110 relating to a lien for taxes, interests or penalties due, shall be applicable to the collection of the ~~((two-cents-per-gallon))~~ aircraft fuel excise tax provided in RCW 82.42.020, and the provisions of RCW 82.36.120, 82.36.130 and 82.36.140 shall apply to any dealer or person engaged in the retail sale of aircraft fuel with respect to the ~~((two-cents-per-gallon))~~ aircraft fuel excise tax imposed under RCW 82.42.020.

Sec. 5. Section 82.44.070, chapter 15, Laws of 1961 and RCW 82.44.070 are each amended to read as follows:

Whenever any person shall apply to the ~~((public-service))~~ utilities and transportation commission for a permit or identification plates to operate a motor vehicle in interstate commerce, in any year, under the provisions of Title 81, and it appears to ~~((the-public-service))~~ said commission that the vehicle will be operated in the state less than fifty percent of the total mileage it will be operated in such year, said person shall pay the fee for such permit or plates to ((the-public-service)) said commission, ((together-with-the-fee-for-such-permit-or-plates;)) and shall also make to the department of motor vehicles a partial payment of fifty percent of the full excise

fee payable for that year on the vehicle under the provisions of this chapter, except in the following cases:

(1) If the excise fee for such vehicle, whether owned, leased or rented, for such year has theretofore been paid and such person furnishes (~~to the public service commission~~) a receipt, or other satisfactory proof, evidencing such payment, which receipt, or other evidence, after any necessary verification, shall be returned to him upon request; or

(2) If the application is for a permit or plates for a vehicle, licensed in another state, which will simply permit an occasional irregular trip or trips from another state into this state.

In either of the two above enumerated cases the (~~public service commission~~) director of motor vehicles, in accounting to the state treasurer, shall note the reason for noncollection of the excise.

In any case where a person has paid the excise fee for any vehicle for any year (~~to the public service commission~~) and later applies to a county auditor for a motor vehicle license for such year, such auditor shall issue the license without collecting the excise fee but only after verifying such payment from the excise fee receipt, or from a signed statement, issued by the (~~public service commission~~) director of motor vehicles, and in accounting to the state treasurer for such noncollection the auditor shall note the number of the receipt or the number of the identification plates issued by the (~~public service~~) utilities and transportation commission.

The (~~public service commission~~) director shall account for and pay over to the state treasurer, at the latest within thirty days after (~~it~~) he has received payment, the excise fees (~~it~~) he has collected under this chapter, and the state treasurer shall credit the same to the motor vehicle excise fund.

It is the intent of this chapter that not more than one excise fee imposed under RCW 82.44.020 shall be collected for any

vehicle for any year.

For the purposes of this section, the several provisions of this chapter applying to the county auditor shall apply to the ((~~public-service~~)) utilities and transportation commission and those applying to the county assessor shall apply to the ((~~tax-commission~~)) department of revenue.

Passed the Senate February 10, 1969.

Passed the House March 11, 1969.

Approved by the Governor March 25, 1969, with the exception of section 2, which is vetoed.

Filed in the office of Secretary of State March 25, 1969.

NOTE: Governor's explanation of partial veto is as follows:  
"...This bill was introduced at the request of the Department of Motor Vehicles for the purpose of reducing some of the administrative expenses of collecting motor vehicle and fuel taxes. As originally introduced, section 2 added as an additional exemption from the use fuel tax special mobile equipment such as road graders. In the form presented to me for my approval, the bill now exempts all publicly owned motor vehicles. Because of the language of the bill, it is unclear whether this result was intended. This provision has a substantial financial impact on the state budget.

In addition to these revenue losses there appears to be a greater problem in the deletion of the comma on line 25 of page one of the engrossed bill and the insertion of the word 'and.' The language results in confusion as to whether private construction companies doing construction and maintenance work on streets and highways would be exempt from the gasoline tax. Rather than to leave these issues clouded and because of substantial financial impact upon the state budget, I have vetoed section 2.

It is my hope that the Legislature will act to amend this section in accordance with the original request of the Department of Motor Vehicles.

With the exception of section 2, which I have vetoed, the remainder of Engrossed Senate Bill No. 105 is approved."

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CHAPTER 140  
[Senate Bill No. 52]  
STATE TORT CLAIMS  
REVOLVING FUND

AN ACT Relating to state government; amending section 7, chapter 159, Laws of 1963, and RCW 4.92.130; amending section 10, chapter 159, Laws of