



Initiative Measure No. 139

BALLOT TITLE

AN ACT requiring voters' approval of bonds, securities, or other financial obligations to be issued, assumed, or incurred by any public utility district for the purpose of financing the acquisition of property for use in supplying public utility service, and of the proposed plan or system pursuant to which such property is to be acquired and used; providing for the manner of submitting such propositions to the voters at elections; specifying the minimum vote required on such propositions; and making similar provision for pending condemnation actions or proceedings to acquire such property before incurring indebtedness.

AN ACT requiring voters' approval of bonds, securities, or other financial obligations to be issued, assumed, or incurred by any public utility district for the purpose of financing the acquisition of property for use in supplying public utility service, with certain exceptions, and of the proposed plan or system pursuant to which such property is to be acquired and used; providing for the manner of submitting such propositions to the voters at elections; specifying the minimum vote required on such propositions; and making provision for pending condemnation actions or proceedings to acquire such property.

Be it enacted by the People of the State of Washington:

SECTION 1. The approval of the voters of any public utility district organized under the laws of this state shall be required, as hereinafter provided, in addition to the requirements of any other act or law, for the authorization of any bonds, securities, or other financial obligations to be issued, assumed, or incurred by such district for the purpose of financing the acquisition of property for use in supplying public utility service, and for the authorization of the proposed plan or system pursuant to which such property is to be acquired and used; *Provided, however,* That such approval shall not be required for the authorization of any obligations to be incurred for repairs or replacements of utility property owned by the district or of any plan therefor, or for the issuance of any

warrants or orders for the payment of money for any lawful purpose drawn either upon any funds accumulated from the district's operations, or upon any fund or funds created by the district pursuant to the issuance, assumption, or incurring of financial obligations theretofore approved by the voters as in this act provided.

SEC. 2. Whenever the commission of any public utility district shall deem it advisable for the district to acquire any property for use in supplying public utility service, and to issue or assume any bonds or securities or to incur any other financial obligations to finance the acquisition of such property, the commission shall submit to the qualified voters of the district, for their approval or rejection at a general or special election, a resolution specifying the property to be acquired, the proposed plan or system pursuant to which such property is to be acquired and used, the proposed method of acquisition, whether by purchase, condemnation and purchase, new construction, or otherwise, the total estimated cost of the property to be acquired, including expenses of acquisition, and the nature, principal amount, and maximum rate of interest of each class of bonds, securities or other financial obligations proposed to be issued, assumed, or incurred in connection therewith. Such resolution may also include provision by general description for anticipated future additions or extensions to or betterments of the utility property embraced in the proposed plan or system, and for the obligations to be incurred on account of such additions,

Initiative Measure No. 139

extensions or betterments. The identifying number and the substance of such resolution shall be clearly stated in the notice of election. The ballot shall provide for expressing the voters' approval or rejection of such resolution substantially as follows:

Shall Resolution No..... of
Public Utility District No.....
of.....County be approved, and said district be authorized to issue, assume or incur the bonds, securities or other financial obligations proposed in said resolution in the maximum principal amount of \$.....?

YES
NO

Such elections shall be called and conducted in all other respects in the manner provided by law for the holding of general or special elections, as the case may be, in public utility districts.

SEC. 3. Such resolution shall be effective only after it shall have been approved by the qualified voters of the district by a majority vote of those voting on the proposition, or by such greater percentage vote as may be required by the constitution, at an election at which the total vote cast on such proposition shall exceed fifty per cent of the total number of votes

cast within such district at the last preceding biennial general election at which state and county officers were elected; and upon such approval of such resolution, but not otherwise, the commission may proceed to acquire such property and to issue, assume or incur the bonds, securities or other financial obligations specified in such resolution.

SEC. 4. Nothing in this act contained shall interfere with the prosecution of any condemnation action or proceeding for the acquisition of any property by a public utility district, which may be pending at the time this act becomes effective; but no property shall be acquired pursuant to any such condemnation action or proceeding, nor shall any bonds, securities, or other financial obligations be issued, assumed or incurred by any district for the purpose of financing the acquisition of any such property, unless and until the proposition for acquiring such property and authorizing such bonds, securities, or other financial obligations shall have been approved by the voters of the district, as in this act provided, at the next general election held within the district after this act shall become effective, or at a special election called and held for that purpose within one year after such effective date.

ARGUMENT FOR INITIATIVE MEASURE NO. 139

TO THE VOTERS OF THE STATE WASHINGTON:

Initiative 139 is a non-partisan measure sponsored by the undersigned and placed on the ballot by petition of 102,614 citizens of the State of Washington, for the purpose of strengthening the present Public Utility District Law.

Initiative 139 gives the people in Utility Districts the right to vote on plans for acquiring utility properties and issuing bonds in payment therefor.

Initiative 139 changes the present PUD law in this respect only. It does not limit any other power now granted to the PUD Commissioners. It has nothing whatever to do with the pros or cons of public ownership. It is strictly in accord with the American principle of majority rule. Whatever the majority of the public wants, they can get.

Voters who want something to say about how much public debt may be incurred by PUD officials and how the money is to be spent, will be for the measure unanimously. Voters who don't care, may not be interested. Those who want the power to spend public money without the people having anything to say about it, will be actively against it, and will try to make you believe that you should not have the right to vote on such matters. That's the issue of Initiative 139 in a nutshell. Read it carefully; see for yourself.

The most serious objection to the Utility District Law as it now stands is that the people do not have a right to say "Yes" or "No" to proposals to construct or acquire electric or water utilities, or the total amount of indebtedness that might be incurred for such purposes.

Initiative 139 closes the gap and corrects that fault. It guarantees to the people the right to be informed in advance of all plans for acquiring utility properties and the amount of debt to be incurred, and to have the further right to approve or disapprove the same. It prevents overzealous or inexperienced commissioners from rushing into unwise financial or construction programs or into ex-

travagant purchases of utility properties.

The right of the people to vote on all matters affecting them and their welfare is fundamentally democratic and an inherent privilege of American citizens.

No one who has faith in our American system of democracy can have any valid objection to giving the people who live in a utility district the right to vote on any proposed plan of the district to go into business or to incur a debt which must be paid by the people of the district either in taxes or in the rates charged them for utility service.

There is no reason why there should be any secrecy about the construction or acquisition of utilities by PUD's. The public is entitled to know what is going on and should have the right to have a direct voice in such matters.

The people of this state have always been ready and willing to establish public enterprises and to authorize public debt when it was necessary and beneficial to them. They will do so for the PUD's after Initiative 139 becomes a law. Experience has proved that the people will turn out to vote if their welfare is affected and there are benefits to be gained.

The sole purpose of Initiative 139 is to give back to the people their democratic right to vote.

PUD's are here to stay. Initiative 139 makes it possible for them to proceed on a safe and sane financial system. Read the Initiative; study it; see for yourself.

A democratic system for democracy.

VOTE "FOR" INITIATIVE 139.

WALTER F. FISHER,
G. H. WHITEMAN,
ED MORLEY,

Sponsors.

STATE OF WASHINGTON—ss.

Filed in the office of the Secretary of State, July 12, 1940, by Walter F. Fisher,
BELLE REEVES,
Secretary of State.

ARGUMENT AGAINST INITIATIVE MEASURE NO. 139

This initiative is being promoted by private power interests and their friends to destroy the public power program.

Under pretense of "letting the people vote" it would make it virtually impossible for the people to own their own electrical facilities.

It does this by providing that no bonds—not even revenue bonds which are payable only out of earnings—can be issued without an election and that the number of persons voting on the proposition must be more than 50% of the total number who voted within the district at the last biennial election at which state and county officers were elected.

That is the joker.

Since revenue bonds are not payable out of taxes and only the people living in the part of the district served by the electrical system being voted upon would be interested in the outcome of the election, it would be impossible to get out a 50% vote of the people of the whole district and the proposition would fail even though every person voting voted for it.

Thus the law would defeat the will of the people instead of enabling them to express their will as its sponsors claim.

The PUD law, which was passed by overwhelming vote of the people in 1930, gives every protection against excessive bond issues and taxation found in laws governing other municipalities and public districts. Initiative 139 does not impose any additional limitation upon the right of commissioners to levy taxes. It is aimed solely at revenue bonds which are not payable out of taxes.

Seattle and Tacoma have always had power to issue revenue bonds without an approving election. They have paid for millions of dollars worth of properties with such bonds while reducing electric rates, and all

without costing the people a single cent in taxes.

The Grays Harbor and Skamania County PUD's have recently acquired electrical systems and are now serving their people at rates ranging from 10 to 50 per cent less than they were paying the private companies. This has been done through revenue bonds which will be paid out of earnings without any tax levy. The savings are made by eliminating payments to high priced executives and eastern holding companies.

If 139 becomes law, public utility districts could not extend or improve existing lines, since issuance of bonds to build even a mile of line, affecting only the people served and imposing no taxes upon any one, would require the vote of at least 50% of the voters of an entire county.

This initiative would prevent any further rural electrification. The benefits of cheap Bonneville and Coulee power would go to private companies in profits instead of to the people.

Senator Homer T. Bone says:

"The private power crowd was very cunning in framing this Initiative to suggest that people are being deprived of the right to vote. This is a smart way of inducing citizens to fight the battles of the power companies for them, while the framers of Initiative 139 stand back of the scenes and enjoy the deception they are practicing."

The enemies of public power want you to vote for Initiative 139. The friends of public power ask you to vote against it.

THE WASHINGTON STATE GRANGE.

STATE OF WASHINGTON—ss.

Filed in the office of the Secretary of State, July 23, 1940, by Harry Cheek, Secretary, Washington State Grange.

BELLE REEVES,
Secretary of State.