

Referendum Bill No. 6

BALLOT TITLE

AN ACT relating to taxation; limiting the aggregate annual rate of levy on real and personal property for state, county, city or town, school district and road district purposes to forty mills; limiting the levy for the state to two mills to be used exclusively for the support of the University of Washington, Washington State College and the State Colleges of Education; limiting the levy by counties, cities and towns, school districts and road districts to certain designated maximums; excepting port or power districts from the operation of the act; and providing that additional levies may be authorized as in the act provided.

HOUSE BILL NO. 557

AN ACT relating to the taxation of real and personal property and limiting the aggregate annual rate of levy thereon for all purposes to forty mills, and submitting this act to the people for their approval or rejection at the general election in November, 1942.

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

SECTION 1. 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 in any year exceed forty mills on the dollar of assessed valuation, which assessed valuation shall be fifty per centum (50%) of the true and fair value of such property in money; and within and subject to the aforesaid limitation the levy by the state shall not exceed two (2) mills to be used exclusively for the support of the University of Washington, Washington State College and the State Colleges of Education; the levy by any county shall not exceed ten (10) mills including any levy for the county school fund required by law, the levy by or for any school district shall not exceed ten (10) mills, the levy for any road district shall not exceed three (3) mills, and the levy by any city or town shall not exceed fifteen (15) mills: *Provided*, That nothing herein shall prevent levies at the rates provided by existing law by or for any port or power district: *Provided*,

further, That the limitations imposed by this section shall not prevent the levy of additional taxes, not in excess of five (5) mills per annum and without anticipation of delinquencies in payment of taxes, in an amount equal to the interest and principal payable in the next succeeding year on general obligation bonds, outstanding on December 6, 1934, issued by or through the agency of the state, or any county, city, town, or school district, nor the levy of additional taxes to pay interest on or toward the reduction, at the rate provided by statute, of the principal of county, city, town, or school district warrants outstanding on December 6, 1932; but the millage limitation of this proviso with respect to general obligation bonds shall not apply to any taxing district in which a larger levy is necessary in order to prevent the impairment of the obligation of contracts: *Provided, further*, That any county, school district, city or town shall have the power to levy taxes at a rate in excess of the rate specified in this act, when authorized so to do by the electors of such county, school district, city or town by a three-fifths majority of those voting on the proposition at a special election, to be held in the year in which the levy is made, and not oftener than once in such year, in the manner provided by law for holding general elections, at such time as may be fixed by the body authorized to call the same, which special election may be called by the Board of County Commissioners, Board of School Directors, or Council or other governing body of

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any city or town, by giving notice thereof for two (2) successive weeks by publication and posting in the manner provided by law for giving notices of general elections, at which special election the proposition of authorizing such excess levy shall be submitted in such form as to enable the voters favoring the proposition to vote "YES," and those opposed thereto to vote "NO": *Provided*, That the total number of persons voting at such special election shall constitute not less than forty per cent (40%) of the voters in said taxing district who voted at the last preceding general state election: *Provided, further*, That any municipal corporation otherwise authorized by law to issue general obligation bonds for capital purposes may, at an election duly held after giving notice thereof as required by law, authorize the issuance of general obligation bonds for capital purposes only, which shall not include the replacement of equipment, and provide for the payment of the principal and interest of such bonds by annual levies in excess of the tax limitation contained herein: *Provided*, That such election shall not be held oftener than once a year, and that the proposition to issue such

bonds and to exceed said tax limitation shall receive the affirmative vote of a three-fifths majority of those voting on the proposition and that the total number of persons voting at such election shall constitute not less than forty per cent (40%) of the voters in said municipal corporation who voted at the last preceding general state election: *Provided, further*, That any taxing district shall have the right by vote of its governing body to refund any general obligation bonds of said district issued for capital purposes only, and to provide for the interest thereon and amortization thereof by annual levies in excess of the tax limitation provided for herein.

Sec. 2. This act shall be referred and submitted to the people for their approval and ratification or rejection at the general election to be held in this state on the Tuesday next succeeding the first Monday in November, 1942, by the officers and in the manner provided by section 5416 of Remington's Revised Statutes.

Passed the House March 12, 1941.

Passed the Senate March 11, 1941.

Approved by the Governor March 21, 1941.

ARGUMENT FOR REFERENDUM BILL NO. 6

Since 1932 property tax limitation has been a complete success in the State of Washington.

It has been approved by substantial majorities at five general elections and in 1940 received a favorable vote of about three to one, carrying in every county in the state.

The tax limitation measure now submitted deserves the united support of the people of Washington for the following definite and indisputable reasons:

1. **It has prevented** the confiscation of land by excessive tax levies.
2. **It has produced** from property a fair and stable income for the support of government.
3. **The operation of this tax limitation law has resulted in**
 - A. Reduction of 46% in debts of counties.
 - B. Reduction of 34% in debts of common schools.
 - C. Reduction of 25% in debts of the state.
 - D. Increase in common school income from \$24,182,644 in 1932 to \$31,494,966 in 1940.
4. **It has been the deciding factor** in influencing industrial establishments to locate in this state.
5. **It has reduced taxes on homes and farms** by more than 40 per cent.
6. **It has reduced tax delinquency** from \$47,994,536 in 1933 to \$15,964,539 in 1940.
7. **It has made home ownership safe and desirable** and taken the crushing tax load off those who own farms.
8. **It has made** Washington the outstanding state in progressive tax legislation and contributed substantially to the present excellent financial condition of our state, our counties, our cities and our schools.
9. **It has been accepted nationally** as a sound fiscal policy and other states have followed and more will follow the lead of Washing-

ton in the protection of property ownership.

10. **It has been indorsed** and supported locally by the Forty Mill Tax Limit Committee; the Washington State Farm Bureau; the Washington Association of Real Estate Boards; the Washington State Taxpayers Association; the Washington Wheat Growers League; the Savings and Loan League of Washington; the Washington Titlemen's Association; the Association of County Commissioners; Chambers of Commerce; Commercial Clubs and numerous other Civic organizations; and the general movement for property tax limitation is supported nationally by the National Grange, the National Real Estate Board and other sponsors of the National Council of Property Tax Payers.

You are compelled to vote on this measure every two years until your legislators submit a constitutional amendment which will embody property tax limitation in our constitution.

We ask you to support personally this measure and actively campaign for its passage in your district in 1942 in order that the savings accomplished and the protection you have enjoyed for the past ten years may be continued.

The measure is fair, it is for the protection of homes and farms and in the best interest of all the people of Washington.

THE FORTY MILL TAX LIMIT COMMITTEE,

By **H. F. SYFORD**, *Chairman*,
L. S. BOOTH,
J. W. WHEELER,
A. A. OLES, *Secretary*.

STATE OF WASHINGTON—ss.
Filed in the office of the Secretary of State, September 10, 1941, by The Forty Mill Tax Limit Committee.
BELLE REEVES,
Secretary of State.