

An Amendment to the State Constitution

To Be Submitted to the Qualified Electors of the State for Their Approval or Rejection at the

GENERAL ELECTION

TO BE HELD ON

Tuesday, November 7, 1944

CONCISE STATEMENT

PROPOSED amendment to Article VII of Constitution, adding section limiting aggregate annual levy of taxes on real and personal property to forty mills; exempting port and public utility districts; defining taxing districts; authorizing exceeding of limitation in certain cases by vote of electors; authorizing refunding of certain bonds by certain taxing districts outside of limitation by vote of governing body; subjecting amendment to Article VIII, Section 6, of Constitution; and making other exceptions.

HOUSE JOINT RESOLUTION NO. 1

Be it Resolved By the Senate and House of Representatives of the State of Washington, in Legislative Session Assembled:

That, at the general election to be held in this state on the Tuesday next succeeding the first Monday of November, 1944, there shall be submitted to the qualified electors of the state, for their approval and ratification, or rejection, an amendment to Article VII of the State Constitution, to be added thereto as section 2 thereof, which shall read as follows:

Section 2. Except as hereinafter provided and notwithstanding any other provision of this constitution, the aggregate of all tax levies upon real and personal property by the state and all taxing districts 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 of the true and fair value of such property in money: *Provided, However,* That nothing herein shall prevent levies at the rates now provided by law by or for any port or public utility district. The term "taxing district" for the purposes of this

section shall mean any political subdivision, municipal corporation, district, or other governmental agency authorized by law to levy, or have levied for it, ad valorem taxes on property, other than a port or public utility district. Such aggregate limitation or any specific limitation imposed by law in conformity therewith may be exceeded only

(a) by any taxing district when specifically authorized so to do by a majority of at least three-fifths of the electors thereof voting on the proposition to levy such additional tax submitted not more than twelve months prior to the date on which the proposed levy is to be made and not oftener than twice in such twelve month period, either at a special election or at the regular election of such taxing district, at which election the number of persons voting on the proposition shall constitute not less than forty per centum of the total number of votes cast in such taxing district at the last preceding general election;

(b) by any taxing district otherwise authorized by law to issue general obligation bonds for capital purposes, for the sole purpose of making the required payments of principal and interest on general obligation bonds issued solely for capital pur-

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poses, other than the replacement of equipment, when authorized so to do by a majority of at least three-fifths of the electors thereof voting on the proposition to issue such bonds and to pay the principal and interest thereon by an annual tax levy in excess of the limitation herein provided during the term of such bonds, submitted not oftener than twice in any calendar year, at an election held in the manner provided by law for bond elections in such taxing district, at which election the total number of persons voting on the proposition shall constitute not less than forty percentum of the total number of votes cast in such taxing district at the last preceding general election: *Provided*, That any such 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, and *Provided Further*, That the provisions of this section shall also be subject to the limitations contained in Article VIII, Section 6, of this constitution;

(c) by the state or any taxing district for the purpose of paying the principal or interest on general obligation bonds outstanding on December 6, 1934; or for the purpose of preventing the impairment of the obligation of a contract when ordered so to do by a court of last resort.

And Be It Further Resolved, That the Secretary of State shall cause the foregoing constitutional amendment to be published for at least three (3) months next preceding the election, in a weekly newspaper in every county where a newspaper is published throughout the state.

Passed the House January 28, 1943.

EDWARD J. REILLY,
Speaker of the House.

Passed the Senate March 8, 1943.

VICTOR A. MEYERS,
President of the Senate.

STATE OF WASHINGTON—ss.

Filed in the office of the Secretary of State, March 10, 1943.

BELLE REEVES,
Secretary of State.

ARGUMENT FOR HOUSE JOINT RESOLUTION NO. 1

This measure, when approved by the voters, will make 40-Mill property tax limitation a part of the Constitution of the State. Such limitation is not permanent. It can be changed by a vote of the people in the same manner as the present amendment is presented.

The law would be substantially as at present. *The voters of any taxing district could increase levies if they vote to do so.*

The effect of this enactment will be to stabilize property taxes. It will insure homeowners, farmers and others that the excessive tax levies in effect prior to the passage of the 40-Mill tax limitation law in 1932 will not again threaten their ownership of property.

Stabilized property taxes, coupled with our enormous electrical development will bring new industries to our state to furnish employment to our people and develop our natural resources.

Tax limitation is not the result of hasty action by the people of this state. Six times during the past twelve years it has been overwhelmingly voted by the people. It is now referred to the voters by the legislature in order that they may say whether the twelve years successful experience with low and limited taxes justifies placing it in our basic law.

The twelve years experience with this law has resulted in the development of a just tax system in the state; a system which equalized the burden and one based on ability to pay.

Under this system public debts have been reduced, taxing units placed on a sound financial basis; the load of delinquent taxes accumulated under our previous system has been practically cleaned up and our tax structure is now being advocated in many states.

Tax limitation by constitutional provision is at present in effect in six states of the Union and by statute in three.

Tax limitation is the bulwark which protects the home and farm against confiscating tax levies.

Under this system of tax limitation common schools of the State have received far greater financial support

than in any other like period in their history; current expenditures have increased from \$19,400,000 in 1934 to \$32,400,000 in 1942; minimum salary for teachers has been inaugurated, teachers' retirement placed on a sound basis and school debts reduced from \$33,814,978 in 1932 to \$6,125,003 in 1942. The average annual salary for teachers has risen from \$1,187.51 in 1934 to \$1,756.20 in 1942.

Appropriations for higher education which dropped to \$6,261,317 in the 1933-5 biennium were at a peak of \$12,505,802 in the 1941-3 biennium. State debts have been reduced by 38 per cent, county debts by 46 per cent and school debts by 82 per cent.

Placing tax limitation in the constitution assures tax stability and a prosperous future for the people of this state.

You should support this amendment for the following reasons:

1. To protect your home or farm from excessive taxation.
2. To encourage home-ownership as the cornerstone of free government and the American way of life.
3. To insure the establishment of industries with continuing jobs for our citizens and returning soldiers.
4. To insure stable, adequate and dependable income for State and local governments.
5. To continue a tax policy which has stood a twelve year test, a policy which has made home and farm ownership a safe investment and a tax structure which will bring in new industries and new citizens.

THE 40-MILL TAX LIMIT COMMITTEE

By J. W. WHEELER,
Honorary Chairman.
L. S. BOOTH,
Honorary Chairman.
H. F. SYFORD,
Chairman.

STATE OF WASHINGTON—ss.
Filed in the office of the Secretary of
State September 7, 1943.

BELLE REEVES,
Secretary of State.