INITIATIVE MEASURE 245

*Official ballot title:**

REDUCING MAXIMUM RETAIL SERVICE CHARGES

AN ACT amending the present state law regulating retail installment sales of goods and services by reducing the maximum amount which may be legally assessed as a service charge in connection with retail installment transactions from 18% per year computed monthly on the unpaid balance (1½% per month) to 12% per year computed monthly (1% per month); reducing from $15.00 to $10.00 the alternative service charge that may be assessed on a retail installment contract notwithstanding the 12% maximum; and eliminating two other methods of computing service charges on such contracts which are permitted under the present law.

*Ballot Title as issued by the Attorney General.

Statement **FOR**

Why the battle for Initiative 245 MUST be won

Retail stores are charging 18% interest per year on "revolving charge accounts." Automobile dealers, too. Now banks have adopted this outrageous practice—they are raising their rates on credit card accounts from 12% to 18%. That's why Initiative 245 was filed. It rolls the rates back to 12%!

Twelve percent is enough!

If you borrow *money* from a bank, the law says anything above 12% is usury and illegal. But—the same bank now charges 18% on retail charge accounts. What's the difference between the two? Organized labor believes there is none. That's why Initiative 245 was filed with 143,103 signatures.

If 12% interest is enough for one kind of credit, it is enough for the other. Both amount to the same thing.

Why should you pay for losses from deadbeats?

Thousands of bank and retail store credit cards have been mailed out indiscriminately to people who did not ask for them. Radio, television, billboards, newspapers are shouting "Buy!" *"Buy!"* "BUY!" "Use your credit card! *Use your revolving charge account!"*

So what has happened? Deadbeats—bad credit risks—credit losses—and you pay for it at 18% interest.

TWELVE PERCENT IS ENOUGH!

Who suffers most?

The young, newly-married. The elderly, on Social Security or on small incomes. The disadvantaged poor of all ages. They are victimized so often that *"the poor pay more"* has become a universal principle of our society.

They will agree that TWELVE PERCENT IS ENOUGH, and they would especially ask that you vote FOR Initiative 245.

Who is opposing Initiative 245?

The big banks, department stores, automobile dealers, furniture and appliance stores. Beware of the biggest campaign ever mounted against a ballot measure.

But if YOU believe 12% is enough . . .

Vote FOR Initiative 245

Committee appointed to compose statement **For** *Initiative No. 245:*

JOE DAVIS, President, Washington State Labor Council, AFL-CIO; MARVIN L. WILLIAMS, Secretary-Treasurer, Washington State Labor Council, AFL-CIO; WALTER E. BERG, President, Aeronautical Industrial District Lodge 751, I.A.M. & A.W., AFL-CIO.

Advisory Committee: DR. WM. A. McCOLL, M.D., Chairman, Washington Committee on Consumer Interests; DON ELLIS, President, Teamsters Joint Council No. 28; A. LARS NELSON, Master, Washington State Grange; ROBERT RIDDER, State Senator; GEORGETTE VALLE, former State Representative.

Explanatory comment issued by the Attorney General as required by law

The Law as it now exists:

Under the present law regulating the retail installment sales of goods and services, the maximum amount which may be assessed as a service charge in connection with such installment transactions is 18% per year (1½% per month), computed monthly on the unpaid balance. However, the existing law permits three alternative methods* of computing the maximum service charge on retail installment contracts under which the resulting service charge may actually exceed 18% per year.

Effect of Initiative Measure No. 245 if approved into Law:

The proposed act would reduce the maximum amount which may be legally assessed as a service charge in connection with retail installment transactions from 18% per year to 12% per year computed monthly on the unpaid balance (1% per month). The act will also eliminate two of the alternative methods of computing the maximum service charge on retail installment contracts. In addition, it would change the third alternative method by reducing from $15.00 to $10.00 the allowable maximum amount of service charge which may be assessed in a single retail installment contract, although such charge may exceed the 12% maximum.

*These alternative methods are set forth in section 3 of the initiative appearing on page 39 of this pamphlet.

Note: Complete text of Initiative Measure No. 245 starts on Page 37.

Statement **AGAINST**

Initiative 245 would force an increase in prices

At present, the service charge does not cover the cost of credit. A recent study of 14 major retail stores in the State of Washington showed their cost of handling credit exceeded their service charge income by $1,250,000 per year. If the retailer is forced to lose even more money on the extension of credit, he must make up this difference by increasing the cost of goods sold. Due to this increase, the people who pay cash or pay within the no service charge period will be subsidizing the credit purchaser.

Initiative 245 would eliminate credit for those who need it most

Passage of Initiative 245 could cause the cancellation of many existing accounts which are slow pay, marginal risk or cover only small purchases. Also the people who need credit the most—the large family, the young family, and lower income individuals will be unable to secure credit. These people will still have the desire to increase their family's standard of living. They will be forced to finance these purchases by more costlier means.

Federal and State governments are opposed to this type of legislation

After an 8-year study, the United States Government found no need for credit service charge limitations. The Washington State Legislature has, after careful analysis, found existing charges necessary and justified. Only 29 states have service charge maximums, and, 25 have equal or higher service charge limits. In the other 21 states, there are no laws setting any maximums. The National AFL-CIO Labor Council in Washington, D. C. advises a service charge maximum of 2%.

Initiative 245 would limit purchasing power and damage Washington's economy

The passage of Initiative 245 would arbitrarily establish a maximum limit for service charges on credit accounts which is far below the actual cost of providing this service. Credit has enabled the consumer to purchase more and better goods and services directly increasing Washington's over-all economy. Stringent credit controls will definitely limit purchasing power and affect our total economy.

Committee appointed to compose statement **AGAINST** *Initiative No. 245:*

JOEL PRITCHARD, State Senator; SID MORRISON, State Representative; DR. GUNDAR J. KING, Director, School of Business Administration, Pacific Lutheran University.

Advisory Committee: MILTON W. MARTIN, Superintendent of Public Schools (retired), Yakima; ROSS MALONEY, Assistant Professor of Economics, Peninsula College; GRANT THOMAS, Chairman of School of Business & Industry, Eastern Washington State College; ROD MORELAND, owner and operator restaurant and motel; PAUL C. PERDUE, University Student Placement Director, University Puget Sound.

(1) The department shall not suspend a driver's license or privilege to drive a motor vehicle on the public highways for a fixed period of more than one year, except as permitted under RCW 46.20.342. Whenever the license of any person is suspended by reason of a conviction or pursuant to RCW 46.20.291, such suspension shall remain in effect and the department shall not issue to such person any new or renewal of license until such person shall give and thereafter maintain proof of financial responsibility for the future as provided in chapter 46.29 RCW.

(2) Any person whose license or privilege to drive a motor vehicle on the public highways has been revoked shall not be entitled to have such license or privilege renewed or restored unless the revocation was for a cause which has been removed, except that after the expiration of six months in cases of revocation for refusal to submit to a chemical test under the provisions of section 1 of this initiative, and in all other revocation cases after the expiration of one year from the date on which the revoked license was surrendered to and received by the department, such person may make application for a new license as provided by law, but the department shall not then issue a new license unless it is satisfied after investigation of the driving ability of such person that it will be safe to grant the privilege of driving a motor vehicle on the public highways, and until such person shall give and thereafter maintain proof of financial responsibility for the future as provided in chapter 46.29 RCW.

NEW SECTION. Sec. 3. There is added to chapter 46.61 RCW a new section to read as follows:

(1) It is unlawful for any person who is under the influence of or affected by the use of intoxicating liquor or of any narcotic drug to drive or be in actual physical control of a vehicle within this state.

(2) Upon the trial of any civil or criminal action or proceeding arising out of acts alleged to have been committed by any person while driving or in actual physical control of a vehicle while under the influence of intoxicating liquor, the amount of alcohol in the person's blood at the time alleged as shown by chemical analysis of his blood, breath or other bodily substance shall give rise to the following presumptions:

(a) If there was at that time 0.05 per cent or less by weight of alcohol in the person's blood, it shall be presumed that he was not under the influence of intoxicating liquor.

(b) If there was at that time in excess of 0.05 per cent but less than 0.10 per cent by weight of alcohol in the person's blood, such fact shall not give rise to any presumption that the person was or was not under the influence of intoxicating liquor, but such fact may be considered with other competent evidence in determining whether the person was under the influence of intoxicating liquor.

(c) If there was at that time 0.10 per cent or more by weight of alcohol in the person's blood, it shall be presumed that he was under the influence of intoxicating liquor.

(d) Per cent by weight of alcohol in the blood shall be based upon milligrams of alcohol per one hundred cubic centimeters of blood.

(e) The foregoing provisions of this section shall not be construed as limiting the introduction of any other competent evidence bearing upon the question whether the person was under the influence of intoxicating liquor.

(3) Chemical analysis of the person's blood or breath to be considered valid under the provisions of this section shall have been performed according to methods approved by the state toxicologist and by an individual possessing a valid permit issued by the state toxicologist for this purpose. The state toxicologist is directed to approve satisfactory techniques or methods, to supervise the examination of individuals to ascertain their qualifications and competence to conduct such analyses, and to issue permits which shall be subject to termination or revocation at the discretion of the state toxicologist.

(4) When a blood test is administered under the provisions of section 1 of this initiative, the withdrawal of blood for the purpose of determining its alcoholic content may be performed only by a physician, a registered nurse, or a qualified technician. This limitation shall not apply to the taking of breath specimens.

(5) The person tested may have a physician, or a qualified technician, chemist, registered nurse, or other qualified person of his own choosing administer a chemical test or tests in addition to any administered at the direction of a law enforcement officer. The failure or inability to obtain an additional test by a person shall not preclude the admission of evidence relating to the test or tests taken at the direction of a law enforcement officer.

(6) Upon the request of the person who shall submit to a chemical test or tests at the request of a law enforcement officer, full information concerning the test or tests shall be made available to him or his attorney.

NEW SECTION. Sec. 4. The director of the department of motor vehicles shall furnish every applicant for a driver's license or a driver's license renewal with a written summary of the provisions of this initiative.

NEW SECTION. Sec. 5. Section 60, chapter 155, Laws of 1965 extraordinary session and RCW 46.61.505 are each repealed.

NEW SECTION. Sec. 6. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of this act, or the application of the provision to other persons or circumstances is not affected.

Initiative Measure No. 242 filed in the office of the Secretary of State as of February 8, 1968.

Sponsors filed 123,589 supporting signatures as of July 5, 1968.

Canvass of signatures completed as of August 26, 1968 and petitions found sufficient. Measure then certified to the November 5, 1968 state general election ballot for approval or rejection by the voters.

COMPLETE TEXT OF

INITIATIVE MEASURE 245

Ballot Title as issued by the Attorney General:

REDUCING MAXIMUM RETAIL SERVICE CHARGES

AN ACT amending the present state law regulating retail installment sales of goods

and services by reducing the maximum amount which may be legally assessed as a service charge in connection with retail installment transactions from 18% per year computed monthly on the unpaid balance (1½% per month) to 12% per year computed monthly (1% per month); reducing from $15.00 to $10.00 the alternative service charge that may be assessed on a retail installment contract notwithstanding the 12% maximum; and eliminating two other methods of computing service charges on such contracts which are permitted under the present law.

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

SECTION 1. Section 4 of chapter 236, Laws of 1963, as last amended by section 3 of chapter 234, Laws of 1967, RCW 63.14.040, is hereby amended to read as follows:

(1) The retail installment contract shall contain the names of the seller and the buyer, the place of business of the seller, the residence or other address of the buyer as specified by the buyer and a description or identification of the goods sold or to be sold, or service furnished or rendered or to be furnished or rendered. The contract also shall contain the following items, which shall be set forth in the sequence appearing below:

(1) (a) The cash sale price of each item of goods or services;

(2) (b) The amount of the buyer's down payment, if any, identifying the amounts paid in money and allowed for goods traded in;

(3) (c) The difference between items (1) (a) and (2) (b);

(4) (d) The aggregate amount, if any, included for insurance, specifying the type or types of insurance and the terms of coverage;

(5) (e) The aggregate amount of official fees, if any;

(6) (f) The principal balance, which is the sum of items (3) (c), (4) (d) and (5) (e);

(7) (g) The dollar amount or rate of the service charge;

(8) (h) The amount of the time balance owed by the buyer to the seller, which is the sum of items (6) (f) and (7) (g), if (7) (g) is stated in a dollar amount; and

(9) (i) Except as otherwise provided in the next two sentences, the maximum number of installment payments required and the amount of each installment and the due date of each payment necessary to pay such balance. If installment payments other than the final payment are stated as a series of equal scheduled amounts and if the amount of the final installment payment does not substantially exceed the scheduled amount of each preceding installment payment, the maximum number of payments and the amount and due date of each payment need not be separately stated and the amount of the scheduled final installment payment may be stated as the remaining unpaid balance. The due date of the first installment payment may be fixed by a day or date or may be fixed by reference to the date of the contract or to the time of delivery or installation.

Additional items may be included to explain the calculations involved in determining the balance to be paid by the buyer.

(2) Every retail installment contract shall contain the following notice in ten point bold face type or larger directly above the space reserved in the contract for the signature of the buyer: "NOTICE TO BUYER:

(a) Do not sign this contract before you read it or if any spaces intended for the agreed terms, except as to unavailable information, are blank.

(b) You are entitled to a copy of this contract at the time you sign it.

(c) You may at any time pay off the full unpaid balance due under this contract, and in so doing you may receive a partial rebate of the service charge.

(d) The service charge does not exceed .....% (must be filled in) per annum computed monthly and may not lawfully exceed ~~[[18%]]~~ twelve per cent per annum computed monthly.

(e) You may cancel this contract and return any goods received, if it is solicited in person, and you sign it, at a place other than the seller's business address shown on the contract, by sending notice of such cancellation by certified mail return receipt requested to the seller at his address shown on the contract, which notice shall be posted not later than the next business day following your signing this contract: *Provided,* That at the time of sending notice of cancellation you have not received and accepted a substantial part of the goods or services which the seller is required to furnish under this contract."

Clause (2) (e) needs to be included in the notice only if the contract is solicited in person by the seller or his representative, and the buyer signs it, at a place other than the seller's business address shown on the contract.

SECTION 2. Section 12 of chapter 236, Laws of 1963, as last amended by section 7 of chapter 234, Laws of 1967, RCW 63.14.120, is hereby amended to read as follows:

(1) At or prior to the time a retail charge agreement is made the seller shall advise the buyer in writing, on the application form or otherwise, or orally that a service charge will be computed on the outstanding balance for each month (which need not be a calendar month) or other regular period agreed upon, the schedule or rate by which the service charge will be computed, and that the buyer may at any time pay his total unpaid balance: *Provided,* That if this information is given orally, the seller shall, upon approval of the buyer's credit, deliver to the buyer or mail to him at his address, a memorandum setting forth this information.

(2) The seller or holder of a retail charge agreement shall promptly supply the buyer with a statement as of the end of each monthly period (which need not be a calendar month) or other regular period agreed upon, in which there is any unpaid balance thereunder, which statement shall set forth the following:

(a) The unpaid balance under the retail charge agreement at the beginning and at the end of the period;

(b) Unless otherwise furnished by the seller to the buyer by sales slip, memorandum, or otherwise, a description or identification of the goods or services purchased during the period, the cash sale price and the date of each purchase;

(c) The payments made by the buyer to the seller and any other credits to the buyer during the period;

(d) The amount, if any, of any service charge for such period; and

(e) A legend to the effect that the buyer may at any time pay his total unpaid balance.

(3) Every retail charge agreement shall contain the following notice in ten point bold face type or larger directly above the space reserved in the charge agreement for the signature of the buyer: "NOTICE TO BUYER:

(a) Do not sign this retail charge agreement before you read it or if any spaces intended for the agreed terms are left blank.

(b) You are entitled to a copy of this charge agreement at the time you sign it.

(c) You may at any time pay off the full unpaid balance under this charge agreement.

(d) The monthly service charge may not lawfully exceed the greater of [~~[1½%]~~] one per cent of the outstanding balance, ([~~[18%]~~] twelve per cent per year computed monthly) or one dollar.

(e) You may cancel any purchases made under this charge agreement and return the goods so purchased, if the seller or his represenative solicited in person such purchase, and you sign an agreement for such purchase, at a place other than the seller's business address shown on the charge agreement, by sending notice of such cancellation by certified mail return receipt requested to the seller at his address shown on the charge agreement, which notice shall be posted not later than the next business day following your signing of the purchase agreement: *Provided*, That at the time of sending notice of recision you have not received and accepted a substantial part of the goods or services which you agreed to purchase."

SECTION 3. Section 13 of chapter 236, Laws of 1963, as last amended by section 8, chapter 234, Laws of 1967, RCW 63.14.130, is hereby amended to read as follows:

The service charge shall be inclusive of all charges incident to investigating and making the retail installment contract or charge agreement and for the privilege of making the installment payments thereunder and no other fee, expense or charge whatsoever shall be taken, received, reserved or contracted therefor from the buyer.

(1) The service charge, in a retail installment contract, shall not exceed the highest of the following:

(a) [~~[Five sixths of one per cent of the principal balance multiplied by the number of months, including any fraction of a month in excess of fifteen days as one month, elapsing between the date of such contract and the due date of the last installment; or]~~]

[~~[(b) Ten dollars per annum per one hundred dollars of the principal balance; or~~

~~(c)]~~] One [~~[and one half]~~] per cent per month on the outstanding unpaid balances; or

[~~[(d) Fifteen dollars.]~~] (b) Ten dollars.

(2) The service charge in a retail charge agreement, revolving charge agreement or charge agreement, shall not exceed one [~~[and one half]~~] per cent per month on the outstanding unpaid balances. If the service charge so computed is less than one dollar for any month, then one dollar may be charged.

(3) A service charge may be computed on the median amount within a range which does not exceed ten dollars and which is a part of a published schedule of consecutive ranges applied to an outstanding balance, provided the median amount is used in computing the service charge for all balances within such range.

(4) The service charge in a retail installment contract or charge agreement shall not exceed the rate of [~~[eighteen]~~] twelve per cent per annum, computed monthly. A service charge computed by one of the foregoing methods, or within the permitted minimum charges, shall be deemed not to be in excess of [~~[eighteen]~~] twelve per cent per annum computed monthly.

Initiative Measure No. 245 filed in the office of the Secretary of State as of April 4, 1968.

Sponsors filed 143,395 supporting signatures as of July 5, 1968.

Canvass of signatures completed as of September 5, 1968 and petitions found sufficient. Measure then certified to the November 5, 1968 state general election ballot for approval or rejection by the voters.

COMPLETE TEXT OF

REFERENDUM MEASURE 35

(CHAPTER 22, LAWS OF 1967)

Ballot Title as issued by the Attorney General:

NON-DISCRIMINATION BY REALTY BROKERS, SALESMEN

AN ACT relating to real estate brokers and salesmen; adding discrimination because of race, creed, color or national origin as a ground for the suspension or revocation of real estate licenses. It provides that prior to taking any action to suspend, revoke or deny a license for discrimination, the state director administering real estate licensing shall order the broker or salesman to stop the discriminatory act or practice. Upon receipt of a written promise to stop the discrimination, the director shall take no further action unless within six months thereafter the broker or salesman engages in further discrimination.

LEGISLATIVE TITLE
(Senate Bill No. 378)

REGULATING REAL ESTATE BROKERS AND SALESMEN

AN ACT relating to real estate brokers and salesmen; amending section 7, chapter 252, Laws of 1941 as amended by section 11, chapter 235, Laws of 1953 and RCW 18.85.220; and amending section 16, chapter 235, Laws of 1953 as amended by section 48, chapter 52, Laws of 1957 and RCW 18.85.350; and amending section 19, chapter 252, Laws of 1941, as last amended by section 12, chapter 235, Laws of 1953, and RCW 18.85.230.

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

Section 1. Section 7, chapter 252, Laws of 1941 as amended by section 11, chapter 235, Laws of 1953 and RCW 18.85.220 are each amended to read as follows:

All fees required under the provisions of this chapter shall be paid to the state treasurer. The sum of five dollars from each license fee and each renewal fee received from a broker, associate [~~[real estate]~~] broker, or salesman, shall be placed in the general fund. The balance of such fees and all other fees paid under the provisions of this