



# Initiative Measure 44

To the Legislature

## Statutory Tax Limitation—20 Mills

AN ACT to limit tax levies on real and personal property by the state, and other taxing districts, except port and power districts, to an aggregate of twenty (20) mills on assessed valuation (50% of true and fair value), without a vote of the people; allowing the legislature to allocate or reallocate up to twenty (20) mills among the various taxing districts.

NOTE: New special toll-free telephone service offered to voters requesting in-depth information on state measures. See page 5 for details.

## Statement for

### Why Initiative 44?

The Washington Department of Revenue reports property taxes have increased from 204 million in 1961 to 622 million dollars in 1971. During this period assessed values increased from \$3,447,126,000 to \$14,539,898,000. Since assessed value has increased at a rate far in excess of the cost of living index, Initiative 44 sponsors seek to lower the rate of taxation by two mills. This reduction will save taxpayers \$37 million annually assuming that assessors do not increase assessed value.

### What Will Initiative 44 Accomplish

Initiative 44 is a clean property tax limit measure. There is no income tax provision contained in this initiative. The intent is to "hold the line" on property taxes until a responsible constitutional limitation is adopted.

### Does Initiative 44 Help Renters

Property taxes constitute a substantial portion of the rent charged on all rental property. Existing federal rent controls permit rent increases to cover property tax increases. Renters as well as property owners face excessive property tax burdens under the existing state constitutional limits.

### Confiscatory Property Taxes Must Be Curbed By Initiative 44

When property tax rates reach a point where the owner's resources are no longer adequate to pay them, the property is sold by the county and property owners lose their equity. This results in a stifling of jobs and growth for the community.

### No Conflict Between SJR 1 and Initiative 44

Both are clean, no strings attached, property tax limit measures. Passage of both these measures will hold the line on basic property tax levies by limiting the basic tax rate to 1% of true and fair value. Passage of both is double insurance and is compatible. SJR 1, as a constitutional amendment, takes precedence over Initiative 44 and a long term basic limitation of 1% is assured. The increase in the basic rate and special levies can only be added to the tax bill by a vote of the people.

*Committee appointed to compose statement FOR Initiative 44:*

FRED H. DORE, State Senator; OTTO AMEN, State Representative; CARLTON A. GLADDER, State Representative.

*Advisory Committee:* LESTER P. JENKINS, Secretary, 40 Mill Tax Limit Committee; ERIC B. BERKELEY, Treasurer, 40 Mill Tax Limit Committee; ROBERT R. BEEZER, attorney; H. A. EVEREST, President, Washington Association of Realtors, Inc.; JACK SILVERS, Master, Washington State Grange.

## The Law as it now exists:

The state constitution presently provides that the aggregate of all regular property tax levies on real and personal property imposed by the state and by all taxing districts except port and public utility districts shall not for any given year exceed forty mills (four percent) on the dollar of assessed valuation. Assessed valuation is defined in the constitution as meaning fifty percent of the true and fair value of the taxable property. Thus, in effect, the current constitutional limitation is equal to two percent of the true and fair value of the property.

However, although the legislature may not authorize the state or any of the taxing districts which are subject to this forty mill limit to levy regular property taxes in excess of this limitation without voter approval, it is permissible for a lower limitation to be established by statute. The current statutory limitation with respect to levies made in 1970 through 1972 is twenty-two mills on the dollar of assessed valuation, and for subsequent years it is twenty-one mills on this valuation—with "assessed valuation" continuing to mean fifty percent of the true and fair value of all taxable property.

This existing statutory limitation contains a further provision which contemplates the possible passage of a constitutional amendment (such as that which is proposed by SJR No. 1, as described on page 38 of this voter's pamphlet) reducing the constitutional limitation to one percent of true and fair value. In the event that such a constitutional amendment is approved, the present statutory limitation will be reduced to twenty mills on the dollar of assessed valuation with respect to levies made in years subsequent to such voter approval. This reduction in the maximum statutory millage will be accomplished by reducing the millage allocated to the state for public assistance, within the twenty mill limit, from two mills to one mill.

## Effect of Initiative No. 44 if approved into Law:

This initiative, unlike SJR No. 1 noted above, would have no effect upon the present constitutional limitation upon regular property tax levies. However, it is designed to replace the existing statutory limitation, as above described, with a new limitation of twenty mills on the dollar of assessed valuation without voter approval. Like both the present constitutional and statutory limitations, this initiative would, however, have no application to port or public utility districts.

Allocation to the state and the various taxing districts of all millages falling within this twenty mill statutory limitation would be left to the legislature.

*NOTE: Ballot title and the above explanatory comment were written by the Attorney General as required by state law. Complete text of Initiative Measure No. 44 starts on Page 100.*

## Statement against

No member of the 1971 Legislature or any responsible statewide organization could be enlisted to write a statement against Initiative Measure No. 44 for publication in this pamphlet.

ments to regulation of uses and activities pertaining to the area of study.

The report shall be submitted to the legislature not later than December 1, 1972.

**NEW SECTION.** Sec. 34. All state agencies, counties, and public and municipal corporations shall review administrative and management policies, regulations, plans, and ordinances relative to lands under their respective jurisdictions adjacent to the shorelines of the state so as to achieve a use policy on said land consistent with the policy of this chapter, the guidelines, and the master programs for the shorelines of the state. The department may develop recommendations for land use control for such lands. Local governments shall, in developing use regulations for such areas, take into consideration any recommendations developed by the department as well as any other state agencies or units of local government.

**NEW SECTION.** Sec. 35. Nothing in this chapter shall affect any rights established by treaty to which the United States is a party.

**NEW SECTION.** Sec. 36. Nothing in this chapter shall obviate any requirement to obtain any permit, certificate, license, or approval from any state agency or local government.

**NEW SECTION.** Sec. 37. This chapter is exempted from the rule of strict construction, and it shall be liberally construed to give full effect to the objectives and purposes for which it was enacted.

**NEW SECTION.** Sec. 38. Sections 1 through 37 of this act shall constitute a new chapter in Title 90 RCW.

**NEW SECTION.** Sec. 39. To carry out the provisions of this 1971 act there is appropriated to the department from the general fund the sum of five hundred thousand dollars, or so much thereof as necessary.

**NEW SECTION.** Sec. 40. If any provision of this chapter, or its application to any person or legal entity or circumstances, is held invalid, the remainder of the act, or the application of the provision to other persons or legal entities or circumstances, shall not be affected.

**NEW SECTION.** Sec. 41. This chapter is necessary for the immediate preservation of the public peace, health and safety, the support of the state government, and its existing institutions. This 1971 act shall take effect on June 1, 1971. The director of ecology is authorized to immediately take such steps as are necessary to insure that this 1971 act is implemented on its effective date.

**NEW SECTION.** Sec. 42. This 1971 act constitutes an alternative to Initiative 43. The secretary of state is directed to place this 1971 act on the ballot in conjunction with Initiative 43 at the next ensuing regular election.

This 1971 act shall continue in force and effect until the secretary of state certifies the election results on this 1971 act. If affirmatively approved at the ensuing regular general election, the act shall continue in effect thereafter.

Passed the House May 6, 1971.

Passed the Senate May 4, 1971.

Approved by the Governor May 21, 1971 with the exception of an item in section 3 which is vetoed.

Filed in Office of Secretary of State May 21, 1971.

NOTE: Governor's explanation of partial veto is as follows:

one hundred

## VETO MESSAGE

“ . . . Substitute House Bill 584 is one of the most significant pieces of legislation ever passed by the state legislature. It is a clear indication of the commitment of the people of the state, acting through the legislative process to assure the future environmental quality of this state. With the passage of Substitute House Bill 584 and with what I hope will be the approval of the people at the next general election this state will lead the nation in its care and concern for its waterfront areas.

This bill is the product of extensive legislative hearings, both during the 1970 and 1971 sessions and the interim. It successfully provides for a maximum of input at the local level with appropriate safeguards at the state level to protect the general public interest.

With regard to the general public interest, while the bill should provide for a diversity of participation on the part of local governments in the planning process, the authority at the state level should be confined to a single agency so that a uniform state policy can be developed. Furthermore, as a general principle an agency should not be in the position of both preparing and approving plans for land which it owns or controls.

The proviso in section 3(c) which declares that the Department of Natural Resources “shall have the powers, duties, and obligations as local government has as to other lands covered by the provisions of this chapter” places more than one agency of state government in a policy making position and in effect allows a large land owner both to make and approve its own plans. While I have the highest respect for the Department of Natural Resources and the Commissioner of Public Lands I believe the proviso in section 3(c) is contrary to sound public policy and should be vetoed.

The remainder of Substitute House Bill No. 584 is approved.”

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COMPLETE TEXT OF

## Initiative Measure

# 44

### Initiative Measure To The Legislature

*Ballot Title as issued by the Attorney General:*

#### Statutory Tax Limitation—20 Mills

AN ACT to limit tax levies on real and personal property by the state, and other taxing districts, except port and power districts, to an aggregate of twenty (20) mills on assessed valuation (50% of true and fair value), without a vote of the people; allowing the legislature to allocate or reallocate up to twenty (20) mills among the various taxing districts.

BE IT ENACTED, *by the Legislature of the State of Washington:*

SECTION 1. Section 84.52.050, chapter 15, Laws of 1961 as

last amended by section 5, chapter 92, Laws of 1970, 2nd Ex. Sess. and RCW 84.52.050 which read as follows:

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 exceed twenty-two mills on the dollar of assessed valuation with respect to levies made in 1970 and twenty-one mills on the dollar of assessed valuation with respect to levies made in subsequent years, which assessed valuation shall be fifty percent of the true and fair value of such property in money: PROVIDED, That if an amendment to Article VII, section 2 of the state Constitution, as amended by Amendment 17, imposing a limit on property taxes of, in effect, one percent of the true and fair value of property is approved by the voters, such aggregate of all tax levies shall not exceed twenty mills on the dollar of assessed valuation with respect to levies made in years subsequent to such voter approval; and within and subject to the aforesaid limitation the levy by the state shall not exceed two mills to be used exclusively for the public assistance program of the state and the levy by any county shall not exceed four mills: PROVIDED, That if such constitutional amendment is so approved, the authority of the state to levy not to exceed two mills to be used exclusively for the public assistance program of the state shall be reduced to not to exceed one mill; and upon and after the effective date of the provisions of chapter 262, Laws of 1969 ex. sess., which impose a tax upon net income, such authority of the state shall expire and the levy by any county may exceed four mills but shall not exceed five mills; the levy by or for any school district shall not exceed seven mills: PROVIDED, That in each of the years 1967 and 1968 and 1969 and 1970 the state shall levy a property tax of four mills of which two mills shall be used exclusively for the public assistance program of the state and of which two mills shall be used exclusively for the support of the common schools; and in such years in which the state shall validly levy a property tax of two mills for the support of the common schools, the levy by or for any school district shall not exceed six mills: PROVIDED FURTHER, That the levy by or for any union high school district shall not exceed two-fifths of the maximum levy permissible for any school district without a vote of the electors thereof and the levy by or for any component district within a union high school district shall not exceed three-fifths of the maximum levy permissible for any school district without a vote of the electors thereof: PROVIDED FURTHER, That the levy against any nonhigh school district for the high school district fund shall not exceed two-fifths of the maximum levy permissible for any school district without a vote of the electors thereof and the levy by or for any such nonhigh school district shall not exceed the balance of such maximum permissible levy; the levy for any road district shall not exceed five mills; and the levy by or for any city or town shall not exceed seven and one-half mills: PROVIDED FURTHER, That counties of the fifth class and under are hereby authorized to levy from four to five and one-half mills for general county purposes and from three and one-half to five mills for county road purposes if the total levy for both purposes does not exceed nine mills: PROVIDED FURTHER, That counties of the fourth and the ninth class are hereby authorized to levy four and one-half mills until such time as the junior taxing agencies are utilizing all the millage available to them.

Nothing herein shall prevent levies at the rates provided by existing law by or for any port or power district are each amended to read as follows:

"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 exceed twenty mills on the dollar of assessed valuation, which assessed valuation

shall be fifty percent of the true and fair value of such property in money.

Nothing herein contained shall prohibit the legislature from allocating or reallocating up to twenty mills between the taxing districts of the state and its political subdivisions and nothing herein contained shall prevent levies at the rates provided by existing law by or for any port or power district."

#### EXPLANATORY COMMENT

Initiative to the Legislature No. 44 (Statutory Tax Limitation—20 Mills)—Filed October 15, 1970 by the 40-Mill Tax Limit Committee—Lester P. Jenkins, Secretary. Signatures (229,785) filed December 30, 1970 and found sufficient and the measure was certified to the Legislature as of January 29, 1971. The Legislature took no action and, as provided by the state constitution, the initiative will be submitted to the voters for final decision at the November 7, 1972 state general election.

#### COMPLETE TEXT OF

## Senate Joint Resolution

# 1

### Proposed Constitutional Amendment

*Ballot Title as issued by the Attorney General:*

### Property Taxation—One Percent Limitation

Shall the state constitution be amended to replace the present forty mill limit upon those property taxes which are imposed without voter approval (in effect a limitation of two percent of the true and fair value of the taxable property) with a new provision under which the maximum allowable rate for such property taxes would be one percent of the true and fair value of the property?

BE IT RESOLVED, *By the Senate and House of Representatives of the State of Washington, in Legislative Session Assembled:*

THAT, At the next general election to be held in this state, 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 Constitution of the State of Washington by amending section 2, (Amendment 17) to read as follows:

Article VII, 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))~~ one 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