



Referendum Bill 36

Chapter 104, Laws of 1975-76, 2nd ex. sess.

Vote cast by the members of the 1976 Legislature on final passage:
HOUSE [98 members]: Yeas, 56; Nays, 33; Absent or not voting, 9.
SENATE [49 members]: Yeas, 26; Nays, 19; Absent or not voting, 4.

Statement for

Let's Improve Our Disclosure Law

In 1972, Washington voters overwhelmingly agreed political candidates and elected officials should report their personal finances. Recent events have shown that many national officials had financial holdings which could interfere with their judgment on public issues.

Appointed officials — who have daily responsibility for millions of taxpayer dollars — were not covered by Initiative 276. Wouldn't it serve the public better to know if a director of a state agency has significant ties to a special interest? Passage of Referendum 36 will make such information available.

Congress has recognized the seriousness of this problem by giving high priority to major bills covering federal appointees.

Who Will Be Covered?

Referendum 36 will apply to major state department directors, regents and trustees of state higher education institutions, members of major decision-making commissions and their chief executives, and professional staff of the Governor and Legislature.

Appointed officials have as much influence on the operations of state government as elected officials. In many cases, they have greater financial responsibility by controlling state spending, so they should be even more free from conflicting financial loyalties.

How About Other States?

Thirty-eight states now have some form of disclosure legislation. Washington is the one state which applies disclosure provisions only to elected officials, but not to appointed officials. Clearly, other states have recognized that financial disclosure is equally important for people who make decisions involving large sums of the taxpayers' money. We must close this gap now.

Official Ballot Title:

Shall certain appointed state officers be required to file reports of their financial affairs with the Public Disclosure Commission?

The Law as it now exists:

Most candidates for and holders of *elective* offices are required under present law to file with the State Public Disclosure Commission, annually or after becoming candidates or officeholders, detailed reports of their own and their immediate families' financial affairs for the preceding year. This requirement does not now apply to *appointed* state officers.

Rebuttal of Statement against

The opponents assume citizens will not accept public service because of financial disclosure requirements. This is absolutely false. Quite to the contrary, 146 citizens have just filed for 15 freeholder positions in Pierce County, and are submitting the necessary forms. This should be striking proof that concerned citizens are not restrained by having to report their financial affairs.

Referendum 36 would *not* significantly impact the Public Disclosure Commission. The additional filings would be very minimal.

Voters' Pamphlet Statement Prepared by:

A. L. "SLIM" RASMUSSEN, State Senator; JOHN R. HAWKINS, State Representative; and JOLENE UNSOELD.

By a separate enactment, the 1976 legislature also required elected officials and candidates who hold specified interests in certain financial institutions to report either (1) every director and officer of the institution and the average monthly balance of accounts held therein by the governmental entity in which the office is held, or (2) all interest over \$600 paid by borrowers and/or to depositors of the financial institution.

The effect of Referendum Bill 36, if approved into Law:

The proposed act would require numerous *appointed* state officers to file the same financial disclosure reports as are now required of elective officers and candidates.

The other change indicated by section 1(1)(g) of the proposed act has already been separately enacted, as noted above, and will be unaffected by the outcome of this election.

NOTE: The ballot title and explanatory statement were written by the Attorney General as required by state law. The complete text of Referendum Bill 36 begins on Page 17.

Statement against

Referendum 36 *would not* make government more accountable to the people as some might have us believe, but it would do two things: First, it would reduce the number of qualified citizens able to serve in non-paid or low-paid appointive positions, due to extensive reporting requirements, and second, it would severely impact the already over-worked Public Disclosure Commission, making the Commission's job of ensuring the accountability of *elected* officials to their constituents virtually impossible.

With few exceptions, members of state boards and commissions, who serve voluntarily for little or no pay, and appointed heads of state agencies are named to their positions by elected officials. It is up to these elected officials to ensure that persons appointed by them do not have conflicts of interest. The elected officials must account to the public for any detriment to the public interest caused by actions of those whom they appoint.

Those who sponsored this measure in the Legislature knew that the Legislature has consistently refused to support adequate funding of the Public Disclosure Commission needed to carry out the responsibilities set forth in Initiative 276 (the Public Disclosure Act). Adding more responsibility and paperwork without funds to accompany them is *not* a method of ensuring accountability to the public, but is a blatant attempt to *reduce that accountability*.

Don't allow the Public Disclosure Act to be weakened by an ill-conceived and thinly-disguised "Trojan Horse."

Rebuttal of Statement for

THE STATEMENT FOR MISSES THE POINT

This proposal will dilute the present Public Disclosure Law's effectiveness, NOT improve it. Referendum 36 will discourage VOLUNTARY public service on boards and commissions and will require more tax dollars as volunteers are replaced by BUREAUCRATS. Appointed officials can advise; however, their actions are the responsibility of elected officials who already are covered by the PUBLIC DISCLOSURE LAW. Congress is notorious for giving "high priority" to issues about which it really intends to do nothing.

Voters' Pamphlet Statement Prepared by:

IRVING NEWHOUSE, State Representative.

the hearing, in at least one newspaper of general circulation in the county where the hearing is to be held. At the hearings, the council or its successor shall give all persons an opportunity to cross-examine witnesses, within reasonable limits of time. Throughout the course of the hearings, the council or its successor shall cause objective information developed by it to be widely published through popular media and otherwise to the maximum extent feasible. After these hearings, the council or its successor shall make a report to the legislature, including minority reports, if necessary, not later than twenty-four months from the date the council or its successor received the application being considered. The final report shall contain the findings of the council or its successor and its recommendations regarding the determinations to be made by the legislature pursuant to section 6(1)(b), (c), and (d) of this act. The council or its successor shall prepare brief and simple summaries of its reports, and the summaries shall be widely published through popular news media and otherwise to the maximum extent feasible. Copies of the report shall be made available to the general public.

(3) (a) To insure full public participation in the determinations to be made pursuant to section 6(1)(b), (c), and (d) of this act, the legislature shall hold public hearings, giving full and adequate notice of such hearings throughout the state, and an opportunity to any person to testify. The legislature shall not hold the hearings until after publication of the reports specified in subsection (2)(b) of this section and shall not make the findings required by subsection (1) of this section until completion of the hearings required by this subsection (3)(a).

(b) All documents, records, studies, analyses, testimony, and materials submitted in conjunction with determinations specified in section 6(1)(b), (c), and (d) of this act to the legislature or to the council or its successor shall, except to the extent expressly prohibited by applicable law, be made available for inspection and copying by the general public.

(c) If, on the vote of the legislature respecting the determinations to be made pursuant to section 6(1)(b), (c), and (d) of this act, there is not a two-thirds affirmative vote in each house, then the legislature shall not again vote on such determinations unless and until the existence of new information so warrants.

(d) If, on the vote of the legislature regarding the determinations to be made pursuant to section 6(1)(b), (c), and (d) of this act, there is a two-thirds affirmative vote in each house, and if the council or its successor determines that the applicant has met the requirements of section 6(1)(a) of this act, the council or its successor shall issue a license to that applicant.

NEW SECTION. Sec. 9. (1) The governor shall cause to be annually published, publicized, and released to the news media and to the appropriate officials of affected communities, in a manner designed to inform residents of the affected communities to the maximum extent feasible, the entire evacuation plans specified in the licensing of each existing nuclear fission power plant in this state. Copies of such plans shall be made available to the members of the public upon request.

(2) The governor shall establish procedures for annual review by state and local officials of established evacuation plans with regard for, but not limited to, such factors as the adequacy of such plans and changes in traffic patterns, population densities, and new construction of schools, hospitals, industrial facilities, and similar facilities. Such procedures shall provide for full public participation in such reviews.

NEW SECTION. Sec. 10. The attorney general of the state of Washington shall enforce all the provisions of sections 3 through 12 of this act.

NEW SECTION. Sec. 11. To the extent that any provision of sections 3 through 12 of this act are inconsistent with any other provision of Washington law, the provisions of sections 3 through 12 of this act shall apply.

NEW SECTION. Sec. 12. If any provision of sections 3 through 11 of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect any other provision or application of sections 3 through 11 of this act which can be given effect without such invalid provision or application, and, to this end, the provisions of sections 3 through 11 of this act are severable.



COMPLETE TEXT OF

Referendum Bill 36

AN ACT Relating to state government; amending section 24, chapter 1, Laws of 1973 as amended by section 13, chapter 294, Laws of 1975 1st ex. sess. and RCW 42.17.240; and providing for a referendum to the people.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

Section 1. Section 24, chapter 1, Laws of 1973 as amended by section 13, chapter 294, Laws of 1975 1st ex. sess. and RCW 42.17.240 are each amended to read as follows:

(1) Every elected official (except president, vice president and precinct committeemen), every chief executive state officer as specified in RCW 43.17.020, as now or hereafter amended, the director of the office of program planning and fiscal management, the director of the department of personnel, and every member appointed to the state board for community college education, office of community development, data processing authority, state finance committee, department of fisheries, forest practices board, forest practices appeals board, gambling commission, game commission, department of game, each professional staff member of the office of the governor, and each professional staff member of the legislature, higher education personnel board, state highway commission, horse racing commission, human rights commission, board of industrial insurance appeals, liquor control board, interagency commission for outdoor recreation, parks and recreation commission, personnel board, board of prison terms and paroles, public disclosure commission, public employees' retirement system, public pension commission, University of Washington board of regents, Washington State University board of regents, board of tax appeals, teachers' retirement system, Central Washington State College board of trustees, Eastern Washington State College board of trustees, Evergreen State College board of trustees, Western Washington State College board of trustees, board of trustees of each community college, and the utilities and transportation commission, and each chief executive officer of the various state boards, authorities, commissions, councils, and other political agencies enumerated in this section in addition to those specified in RCW 43.17.020 shall after January 1st and before January 31st of each year; and every candidate, and every person appointed to fill a vacancy in an elective office (except for the offices of president, vice president, and precinct committeeman) shall, within two weeks of becoming a candidate, and every person appointed to the appointive positions enumerated herein shall, within two weeks of being so appointed, or being appointed to such elective office, file with the commission a written statement sworn as to its truth and accuracy stating for himself and all members of his immediate family, for the preceding twelve months: PROVIDED, That no individual shall be required to file more than once in any calendar year:

(a) Occupation, name of employer, and business address; and

(b) Each bank or savings account or insurance policy in which any such person or persons owned a direct financial interest which exceeded five thousand dollars at any time during such period; each other item of intangible personal property in which any such person or persons owned a direct financial interest, the value of which exceeded five hundred dollars during such period; and the name, address, nature of entity, nature and highest value of each such direct financial interest during the reporting period; and

(c) The name and address of each creditor to whom the value of five hundred dollars or more was owed; the original amount of each debt to each such creditor; the amount of each debt owed to each creditor as of the date of filing; the terms of repayment of each such debt; and the security given, if any, for each such debt: PROVIDED, That debts arising out of a "retail installment transaction" as defined in chapter 63.14 RCW (Retail Installment Sales Act) need not be reported; and

(d) Every public or private office, directorship and position as trustee held; and

(e) All persons for whom any legislation, or any rule, rate, or standard has been prepared, promoted, or opposed for current or deferred compensation: PROVIDED, That for the purposes of this subsection, "compensation" shall not include payments made to an elected official by the governmental entity for which such person serves as an elected official for his service in office; the description of such actual or proposed legislation, rules, rates, or standards; and the amount of current or deferred compensation paid or promised to be paid; and

(f) The name and address of each governmental entity, corporation, partnership, joint venture, sole proprietorship, association, union, or other business or commercial entity from whom compensation has been received in any form of a total value of five hundred dollars or more; the value of such compensation; and the consideration given or performed in exchange for such compensation; and

(g) The name of any corporation, partnership, joint venture, association, union, or other entity in which is held any office, directorship, or any general partnership interest, or an ownership interest of ten percent or more; the name or title of that office, directorship, or partnership; the nature of ownership interest; and with respect to each such entity: (i) With respect to a governmental unit in which the elected official holds any elective office, if such entity has received compensation in any form during the preceding twelve months from such governmental unit, the value of such compensation and the consideration given or performed in exchange for such compensation; (ii) The name of each governmental unit, corporation, partnership, joint venture, sole proprietorship, association, union, or other business or commercial entity from which such entity has received compensation in any form in the amount of two thousand five hundred dollars or more during the preceding twelve months and the consideration given or performed in exchange for such compensation: PROVIDED, That the term "compensation" for purposes of this subsection (1)(g)(ii) shall not include payment for water and other utility services at rates approved by the Washington state utilities and transportation commission or the legislative authority of the public entity providing such service; ~~((iii) The name, address, and occupation of every other director and/or officer of any bank or commercial lending institution, the name of which is required to be reported under this subsection or all interest paid by a borrower on loans from and all interest paid to a depositor by such bank or commercial lending institution if such interest exceeds six hundred dollars);~~ PROVIDED, FURTHER, That with respect to any bank or commercial lending institution in which is held any such office, directorship, partnership interest, or ownership interest, it shall only be necessary to report either the name, address, and occupation of every director and officer of such bank or commercial lending institution and the average monthly balance of each account held during the preceding twelve months by such bank or commercial lending institution from the governmental entity for which the individual is an elected official or candidate, or all interest paid by a borrower on loans from and all interest paid to a depositor by such bank or commercial lending institution if such interest exceeds six hundred dollars; and

(h) A list, including legal or other sufficient descriptions as prescribed by the commission, of all real property in the state of Washington, the assessed valuation of which exceeds two thousand five hundred dollars in which any direct financial interest was acquired during the preceding calendar year, and a statement of the amount and nature of the financial interest and of the consideration given in exchange for such interest; and

(i) A list, including legal or other sufficient descriptions as prescribed by the commission, of all real property in the state of Washington, the assessed valuation of which exceeds two thousand five hundred dollars in which any direct financial interest was divested during the preceding calendar year, and a statement of the amount and nature of the consideration received in exchange for such interest, and the name and address of the person furnishing such consideration; and

(j) A list, including legal or other sufficient descriptions as prescribed by the commission, of all real property in the state of Washington, the assessed valuation of which exceeds two thousand five hundred dollars in which a direct financial interest was held: PROVIDED, That if a description of such property has been included in a

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report previously filed, such property may be listed, for purposes of this provision, by reference to such previously filed report;

(k) A list, including legal or other sufficient descriptions as prescribed by the commission, of all real property in the state of Washington, the assessed valuation of which exceeds five thousand dollars, in which a corporation, partnership, firm, enterprise, or other entity had a direct financial interest, in which corporation, partnership, firm or enterprise a ten percent or greater ownership interest was held; and

(l) Such other information as the commission may deem necessary in order to properly carry out the purposes and policies of this chapter, as the commission shall by rule prescribe.

(2) Where an amount is required to be reported under subsection (1), paragraphs (a) through (k) of this section, it shall be sufficient to comply with such requirement to report whether the amount is less than one thousand dollars, at least one thousand dollars but less than five thousand dollars, at least five thousand dollars but less than ten thousand dollars, at least ten thousand dollars but less than twenty-five thousand dollars, or twenty-five thousand dollars or more. An amount of stock may be reported by number of shares instead of by market value. No provision of this subsection shall be interpreted to prevent any person from filing more information or more detailed information than required.

(3) ~~((Elected officials and candidates))~~ All persons reporting under this section shall not be required to file the statements required to be filed with the secretary of state under RCW 42.21.060.

NEW SECTION. Sec. 2. The 1976 amendatory act shall be submitted to the people for their adoption and ratification, or rejection, at the next succeeding general election to be held in this state, in accordance with the provisions of section 1, Article II of the state Constitution, as amended, and the laws adopted to facilitate the operation thereof.



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 voters 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 thereof, as amended by Amendments 55 and 59, 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 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 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 "yes" on the proposition shall constitute three-fifths of a number equal to forty per centum of the total votes cast in such taxing district at the last preceding general election when the number of electors voting on