



Initiative Measure 62

TO THE LEGISLATURE

Official Ballot Title:

Shall state tax revenues be limited so that increases do not exceed the growth rate of total state personal income?

The law as it now exists:

At the present time, there is no limit on the total amount of revenue which may be collected by the state each year from taxes and fees.

The effect of Initiative to the Legislature No. 62, if approved into law:

The initiative would limit the growth of general state tax revenues. Under the initiative, general state tax revenues would be prohibited from growing at a greater rate than the combined income of all the state's citizens.

This limit would apply only to the state—not to local governments. The initiative, however, would prohibit the legislature from requiring local governments to offer new or expanded services unless the costs are paid by the state. Beginning on July 1, 1980, when costs of governmental programs such as schools, etc., are shifted from the local level to the state level—or vice versa—the initiative provides for adjusting the limit to take into account that shifting financial responsibility. The initiative also permits the legislature to adjust the limit to meet an emergency.

NOTE: The ballot title and explanatory statement were written by the Attorney General as required by state law. The complete text of Initiative to the Legislature 62 begins on page 20.

Statement for

Taxpayers have the long awaited chance to slow down taxes in Washington State. Initiative 62 gives you a guarantee—an insurance policy—that state government won't grow faster than your pocketbooks.

TAXES SHOULDN'T GROW FASTER THAN THE ECONOMY . . . BUT THEY HAVE!

Government and the taxes to fund it have been growing bigger and bigger. In 1929, government at all levels took 13% of our national income. Today, government takes over 44% . . . and it's still climbing. This trend must be stopped.

INITIATIVE 62 IS RESPONSIBLE

Unlike California's Proposition 13, this Initiative is not a meat-axe approach. It's a responsible approach that limits sales taxes, state property taxes, and the Business and Occupation (B&O) taxes. Backers of the Initiative recognize that government needs to be able to grow with population increases and with inflation, but it should not continue to grow at a faster rate.

SAFEGUARDS ARE BUILT INTO INITIATIVE 62

Initiative 62 was carefully drafted to:

- Protect local governments from having to pay for programs mandated by the legislature.
- Maintain flexibility by allowing for adjustment of the limit when program costs are transferred between governmental entities.
- Provide for temporary funding of an emergency declared by 2/3 of the legislature.

TAX LIMITATION WILL SAVE YOU MONEY

The Washington State Research Council has estimated that if Initiative 62 had been in effect during the past nine years, taxpayers would have saved over \$1,000,000,000.00 . . . that's \$1074 for a family of four. Initiative 62 is your best chance to get control of your taxes. If you think it's time to stop government from taking a bigger and bigger tax bite . . . VOTE YES!

Rebuttal of Statement against

Initiative 62 is supported by farmers, businessmen, housewives, factory workers, Republicans, Democrats, and Independents. 170,000 citizens signed petitions demanding this vote on tax limitation. 62 forces politicians to prioritize spending. Without the ability to "keep going back to the well," legislators will have to provide for basic services instead of giving in to pressures for new spending programs. 62 is not "tax reform"—it's "tax limitation" designed to stop taxes from growing faster than our pocketbooks.

Voters' Pamphlet Statement Prepared by:

RON DUNLAP, State Representative; ELLEN CRASWELL, State Representative; PHYLLIS ERICKSON, State Representative.

Advisory Committee: JERRY HUGHES, State Representative; MERLE ADLUM; EUGENE R. ANDREWS, Director, National Federation of Independent Business; TOM KUHLMEIER, Speaker, Jaycee Legislature; HERB STREULLI, President, Washington State Farm Bureau.

Statement against

LIMIT IS THE WRONG WORD FOR 62

Formula is the right word for this initiative. 62 is a formula that could raise taxes and increase spending. According to the Department of Revenue, if 62 were in effect in 1981, taxes could increase by \$141 million.

The 62 formula would do nothing for the average taxpayer. 62 is not directly related to your personal income, but to a figure based on the state's share of the Gross National Product.

62 WON'T CLOSE LOOPHOLES

Corporations and millionaires will continue to escape paying their fair share of taxes if 62 passes. Why? Because 62 does not close the loopholes or correct the unfairness of Washington's tax system. After all, who is paying for 62?

The 62 formula is an attempt to reduce state government's accountability to individual citizens and to increase the influence of the wealthy lobbies and corporations who are paying for the initiative.

62 WON'T CUT WASTE OUT OF GOVERNMENT

The legislature will use the 62 formula as a target for spending. 62 does not guarantee efficiency. 62 does not even guarantee examination of programs for possible cuts. Nowhere in the proposal is there a requirement to cut wasteful government spending.

DECISIONS SHOULD BE MADE BY PEOPLE, NOT BY COMPUTER

62 would substitute a computer for human judgment in determining the appropriate size of state government and its programs.

Decisions about vital state services—the education of our children, the health and dignity of our senior citizens, the maintenance of our prisons, the establishment of quality mental health care—these decisions should be made by the people's elected representatives, not by a computer. Vote No on Initiative 62.

Rebuttal of Statement for

Initiative 62 is a quick fix solution that won't work. Under this so-called "guaranteed insurance policy" taxes could increase 13.5% in 1981. 62 includes only some state taxes. It excludes gasoline taxes, auto licenses and permit fees, among others. 62 does nothing to control growth in federal taxes. 62 won't stop government waste. The legislature can evade 62 by earmarking increased taxes for special interest projects. Don't be fooled by this phony "insurance policy."

Voters' Pamphlet Statement Prepared by:

RUTHE RIDDER, State Senator; DICK NELSON, State Representative; JOE DAVIS, President, Washington State Labor Council, AFL-CIO.

Advisory Committee: GLADYS BURNS, Washington Division, American Association of University Women; DIANA GALE, Tax Policy Director, League of Women Voters of Washington; JOE MURPHY, Chairman, Washington State Democratic Committee; MARGARET CASEY, Washington State Catholic Conference.

NEW SECTION. Sec. 7. No beverage shall be sold or offered for sale to consumers in this state in a metal beverage container a part of which is designed to be detached in order to open such container.

NEW SECTION. Sec. 8. Recycling centers to refund deposits on beverage containers, at which consumers may return empty beverage containers and receive payment of the refund value, may be established and operated by any person. Persons wishing to operate such a recycling center shall register with the department.

NEW SECTION. Sec. 9. (1) A dealer, group of dealers, or a recycling center established under section 8 of this act may file an application with the department for approval of a recycling center or centers to provide the total refund service for the dealer or dealers. The application shall state: The name and address of the person or persons responsible for the establishment and operation of the center; the kinds, sizes, and brand names of beverage containers which will be accepted; and the names and addresses of dealers to be served and their distances from the recycling center.

(2) The department shall give due notice to the public and other affected parties of the application and, if petitioned by ten or more people, shall hold a public hearing in the area affected. If after investigation and hearing the department determines that the recycling center would provide a convenient service to both the dealer and consumers for the return of empty beverage containers, the application shall be approved. The order of the department approving the recycling center shall state the dealers to be served and the kind, size, and brand names of empty beverage containers which the recycling center must accept. The order may contain such other reasonable provisions as the department may determine to be necessary to ensure that the recycling center will provide a convenient service to the public.

(3) A list of the dealers served and the kind, sizes, and brand names of empty beverage containers accepted shall be prominently displayed at each recycling center.

(4) A dealer served by a recycling center shall prominently display within the view of the consumer at the time of sale of a beverage in a beverage container the location, distance from the dealer, hours of operation, and the name of the recycling center that serves the dealer.

(5) The department may review the approval of a recycling center established under this section at any time. After written notice to the person or persons responsible for the establishment and operation of the recycling center and to the dealers served by the recycling center, the department may, after hearing, withdraw approval of the recycling center if the department finds that there has not been compliance with the approval order or if the recycling center no longer provides a convenient service to the public.

NEW SECTION. Sec. 10. A dealer may refuse to accept from a consumer or other person and to pay the refund value of any beverage container, if the place of business of the dealer and the kind, size, and brand of beverage container are included in an order of the department approving a recycling center under section 9 of this act.

NEW SECTION. Sec. 11. Any dealer selling a beverage in a beverage container solely for consumption on the premises of the dealer may elect not to charge a deposit at the time of sale, and if so electing, shall not be required to pay a refund for accepting that empty beverage container back.

NEW SECTION. Sec. 12. Every operator of a vending machine which sells beverages in beverage containers shall post a conspicuous notice on each vending machine indicating that a refund value of not less than five cents is available on each beverage container purchased and where, how far away, and from whom that refund may be obtained.

NEW SECTION. Sec. 13. (1) The department is hereby empowered to promulgate such rules and regulations in accordance with chapter 34.04 RCW as may be necessary to carry out the provisions of this chapter.

(2) Decisions of the department, other than rule-making, shall be subject to review in accordance with chapter 43.21B RCW.

(3) The department shall promulgate such rules and regulations as needed for implementation of this chapter no later than one year prior to the effective date of this act. Such rules and regulations shall take effect on the effective date of this act.

NEW SECTION. Sec. 14. Any person found guilty of willfully violating any of the provisions of this chapter shall be guilty of a misdemeanor and subject to a fine of not less than twenty-five dollars or more than one thousand dollars and costs. Every day a violation occurs is a separate offense.

NEW SECTION. Sec. 15. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 16. The department, in cooperation with other state agencies, shall submit to the legislature no later than one year prior to the effective date of this act a report that includes potential legislation or other programs which would accomplish the following objectives:

a. the maximum reuse via rewashing and refilling of all glass beverage containers and the maximum recycling of all other beverage containers returned under this act;

b. the maximum reuse and recycling of other beverage containers not included under this act;

c. the enhancement of recycling of other materials present in recoverable quantities in the solid waste stream via recycling centers set up under this act;

d. equitable compensation to workers who may be displaced by this act;


e. changes in the B.&O. tax and other taxes assessed recycling centers that would enhance their economic viability.

NEW SECTION. Sec. 17. Except as provided in section 13(3) and section 16 of this act:

(1) This act shall take effect April 1, 1981, if passed by the legislature in its 46th regular session; or

(2) This act shall take effect Jan. 1, 1982, if adopted by the people in the general election of 1979.

NEW SECTION. Sec. 18. Sections 1 through 17 of this act shall constitute a new chapter in Title 70 RCW.

	COMPLETE TEXT OF
	Initiative Measure 62

AN ACT Relating to revenue and taxation; adding a new chapter to Title 43 RCW; and providing an effective date.

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

NEW SECTION. Section 1. The people of the state of Washington hereby find and declare:

(1) The continuing increases in our state tax burden and the corresponding growth of state government is contrary to the interest of the people of the state of Washington.

(2) It is necessary to limit the rate of growth of state government while assuring adequate funding of essential services, including basic education as defined by the legislature.

(3) It is therefore the intent of this chapter to:

(a) Establish a limit which will assure that the growth rate of state tax revenue does not exceed the growth rate of state personal income;

(b) Assure that local governments are provided funds adequate to render those services deemed essential by their citizens;

(c) Assure that the state does not impose, on any taxing district,

responsibility for new programs or increased levels of service under existing programs unless the costs thereof are paid by the state;

(d) Provide for adjustment of the limit when costs of a program are transferred between the state and another political entity; and

(e) Establish a procedure for exceeding this limit in emergency situations.

NEW SECTION. Sec. 2. As used in this chapter, the following terms have the meanings indicated unless otherwise required.

(1) "State tax revenue" means all state moneys received in the treasury from every source except those revenues excluded for the term "general state revenues" by Article VIII, section (1)(c) of the state Constitution other than the state property tax levied for the support of the common schools under RCW 84.52.065, as now or hereafter amended.

(2) "State personal income" means the dollar amount published as total personal income of persons of the state for the calendar year by the United States department of commerce or its successor agency.

(3) "State tax revenue limit" or "limit" means the state tax revenue limit created by this chapter.

(4) "Taxing district" means those districts included within the term "taxing district" under RCW 84.04.120, as now or hereafter amended.

(5) "State personal income ratio" for any calendar year means the quotient formed by dividing (a) state personal income for the calendar year under consideration by (b) the state personal income for the immediately preceding calendar year.

NEW SECTION. Sec. 3. (1) The state tax revenue limit for any fiscal year shall be the previous fiscal year's state tax revenue limit multiplied by the average state personal income ratio for the three calendar years immediately preceding the beginning of the fiscal year for which the limit is being computed.

(2) For purposes of computing the state tax revenue limit for the fiscal year beginning July 1, 1980, the phrase "the previous fiscal year's state tax revenue limit" means the state tax revenue collected in the fiscal year beginning July 1, 1978, multiplied by the average state personal income ratio for the calendar years 1976, 1977, and 1978.

NEW SECTION. Sec. 4. Except as provided in section 5 of this act, taxes, fees, and charges on persons, property, and activities shall be imposed, levied, or set by the legislature in such a manner that the estimated state tax revenue for each fiscal year of the next biennium will not exceed the state tax revenue limit for that fiscal year: PROVIDED, The legislature may at any time adjust such taxes, fees, and charges for the second fiscal year of the biennium.

NEW SECTION. Sec. 5. (1) The state tax revenue limit for any fiscal year may be exceeded in order to meet an emergency as declared by the legislature by two-thirds vote of each house. The legislature, by two-thirds vote of each house, shall set forth the circumstances constituting the emergency and the amount of state tax revenue in excess of the applicable state tax revenue limit necessary to meet the emergency.

(2) Any amount of state tax revenue authorized by subsection (1) of this section in excess of the state tax revenue limit shall be authorized only for the fiscal year in which the vote is taken and/or the next succeeding fiscal year, as directed by the legislature.

(3) Except where the emergency results from a court order, the amount of state tax revenue authorized under subsection (1) of this section in excess of the limit shall not be used in the revenue base used to compute the state tax revenue limit for subsequent years.

NEW SECTION. Sec. 6. (1) The legislature shall not impose responsibility for new programs or increased levels of service under existing programs on any taxing district unless the districts are reimbursed for the costs thereof by the state.

(2) That proportion of state tax revenue which consists of direct state appropriations to taxing districts taken as a group shall not be decreased below that proportion appropriated in the biennium

immediately preceding the effective date of this act: PROVIDED, This proportion shall be decreased in any fiscal year only if: (a) The legislature decreases the state tax revenue limit for that fiscal year by an amount equal to the dollar amount of any decrease in direct state appropriations to taxing districts taken as a whole; or (b) the state tax revenue limit has been increased under section 5(3) or 6(3) of this act and the decrease of the proportion is commensurate with the increase in the state tax revenue limit.

(3) If by order of any court, or legislative enactment, the costs of a federal or taxing district program are transferred to or from the state, the otherwise applicable state tax revenue limit shall be increased or decreased, as the case may be, by the dollar amount of the costs of the program.

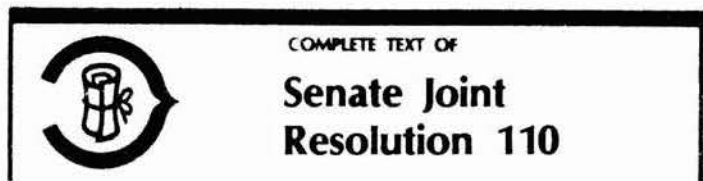
(4) The legislature, in consultation with the office of financial management or its successor agency, shall determine the costs of any new programs or increased levels of service under existing programs imposed on any taxing district or transferred to or from the state.

NEW SECTION. Sec. 7. The legislature shall, prior to any other appropriation, provide for the payment of the principal and interest of the indebtedness of the state. State tax revenue collected in any fiscal year in excess of the state tax revenue limit for that fiscal year shall be included as part of the state tax revenue for the succeeding fiscal year.

NEW SECTION. Sec. 8. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 9. This act shall take effect on January 1, 1980: PROVIDED, That the first fiscal year for which the state tax revenue limit shall be in effect is the fiscal year beginning on July 1, 1980.

NEW SECTION. Sec. 10. Sections 1 through 8 of this act shall constitute a new chapter in Title 43 RCW.



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 II, section 12 of the Constitution of the State of Washington, to read as follows:

Article II, section 12. (~~The first legislature shall meet on the first Wednesday after the first Monday in November, A.D., 1889. The second legislature shall meet on the first Wednesday after the first Monday in January, A.D., 1891, and sessions of the legislature shall be held biennially thereafter, unless specially convened by the governor, but the times of meeting of subsequent sessions may be changed by the legislature. After the first legislature the sessions shall not be more than sixty days.~~) (1) Regular Sessions. A regular session of the legislature shall be convened each year. Regular sessions shall convene on such day and at such times as the legislature shall determine by statute. During each odd-numbered year, the regular session shall not be more than one hundred five consecutive days. During each even-numbered year, the regular session shall not be more than sixty consecutive days.

(2) Special Legislative Sessions. Special legislative sessions may be convened for a period of not more than thirty consecutive days by proclamation of the governor pursuant to Article III, section 7 of this