



# Initiative Measure 414

TO THE PEOPLE

NOTE: The ballot title and explanatory statement were written by the Attorney General as required by state law. The complete text of Initiative Measure 414 begins on page 13.

## Statement for

### THE PROBLEM: BOTTLE AND CAN LITTER

Our beaches, parks and roadsides are being overwhelmed by litter. Broken glass and littered cans are everywhere. Children and animals get cut by them. Litter is unsightly. It ruins tires. These are only a few of the hidden costs of bottle and can litter.

### THE SOLUTION: INITIATIVE 414—THE REFUND AND RECYCLING ACT

Initiative 414 is the best way to clean up bottle and can litter. Only by giving people a financial incentive not to litter will reduce it. To pay a thirty cent deposit for a six pack may seem a lot but it is assured that people will think twice before leaving bottles and cans around. You wouldn't toss a nickel out of your car window. With Initiative 414 people won't toss out a bottle or can either.

### REFUNDS WORKED BEFORE AND WILL NOW

We all remember 15 to 20 years ago when we had deposit bottles. It worked then and it will now. If people don't bring back the bottles and cans kids will. They'll clean up our beaches, parks and roads just to get the nickel per container.

### REFUNDS WORK IN OTHER STATES

Refund and Recycling systems are law in nine states: Oregon, Michigan, Maine, New York, Massachusetts, Iowa, Connecticut, Delaware and Vermont. Beverage container litter was reduced 83% in Oregon, 80% in Vermont, 86% in Maine and 77% in Iowa.

## Official Ballot Title:

Shall a system requiring a minimum five cent refund on sales of beer, malt and carbonated beverage containers be established?

## The law as it now exists:

Beverage containers sold in Washington state are not required to carry any refund value. Nor does any law restrict the use of detachable pulltabs on metal containers or the use of plastic ring holding devices connecting beverage containers.

### REFUNDS INCREASE RECYCLING

Refund systems dramatically increase recycling of beverage containers to over 90%. Washington currently only recycles about 25%. Given a positive incentive to recycle, more of us will.

### VOTE YES FOR REFUNDS AND RECYCLING

## Rebuttal of Statement against

BY CLEANING UP THE MOST UNSIGHTLY AND HAZARDOUS OF ALL LITTER, BEER AND SOFT DRINK BOTTLES AND CANS, we can compliment our current litter control program. Children don't get cut on paper in our parks and on beaches. It worked years ago; it's worked in Oregon and Vermont for ten years. Refunds are a financial incentive to recycle. IT'S TIME TO MAKE IT PAY NOT TO LITTER. YES FOR REFUNDS. YES FOR RECYCLING. YES FOR 414.

### Voters Pamphlet Statement Prepared by:

ELEANOR LEE, State Senator; DICK NELSON, State Representative, NITA RINEHART, State Representative.

Advisory Committee: ROBERT JONES, President, Washington State Farm Bureau; FRAN DREW, President, League of Women Voters; JOANNE J. BREKKE, Board Member, Washington Citizens for Recycling; REESE LINDQUIST, President, Washington Education Association; LORI SHARP, President, Washington State Sportsmen's Council.

## The effect of Initiative No. 414, if approved into law:

The initiative would require most soft drink, beer and ale containers sold in the state to carry a refund value of not less than 5 cents. With minor exemptions, such containers would be required to be marked with their refund value.

The refund value requirement does not apply to any beverage container which is sold and delivered for use and consumption on interstate public conveniences such as buses, trains, vessels or airplanes. Containers of dairy products, vegetable or fruit juices, wine, tea or spirits would also be exempt.

Sellers of beverages solely for on-premises consumption would not be required to charge deposits or pay refunds for containers. However, most beverage dealers would be required to accept the refundable containers which are of the same kind, size and brand sold by the particular dealer and to pay the refund value in cash to the person presenting them. Dealers can, with the approval of the Department of Ecology, delegate their refund responsibilities to recycling centers located not more than 1,000 yards away from the dealer.

Distributors would have the same obligation to accept and pay for containers presented as do dealers and recycling centers. Dealers

and recycling centers would be entitled, in addition to the refund value, to a fee of at least 2 cents per containers from distributors.

The initiative would also prohibit detachable pulltabs on metal containers and most plastic ring devices holding beverage containers together.

## Statement against

Initiative 414 will cost us plenty: Price hikes for beer and soft drinks (ask your grocer); Skilled-job losses (ask labor unions); Recycling setbacks (ask your neighborhood recycler); Energy waste (ask any beverage distributor).

### CONSUMER PRICES WILL SOAR

Beer and soft drink prices will soar under 414. In bottle-bill states, consumers pay, in price increases and deposits, and average of 55¢ more for a six-pack of beer, 44¢ more for soft drinks.

### JOB LOSSES

At least 580 skilled jobs and 1,100 unskilled jobs in the recycling industry will be lost. Organized labor opposes 414.

### RECYCLING CRIPPLED

Private recyclers, operating without government subsidy, employ 2,500 workers statewide and provide income to many non-profit groups. They need beverage container revenues to stay in business. They say 414 will cripple their industry.

### SANITATION PROBLEMS

Sanitation problems will occur if nearly 1½ billion unclean containers are forced back annually through our food stores, according to the Washington State Food Dealers. Grocers in forced-deposit states complain their stores are "garbage dumps."

### DEFEATED MANY TIMES

Our Legislature has rejected forced-deposit legislation 16 times. Our voters have rejected it twice. The issue has been rejected 2,100 times nationally.

### 414 MAKES NO SENSE

Our Model Litter & Recycling law works. Business and industry—not taxpayers—pay for its programs, which provide litter pick-up jobs for 800 youths. Most litter is paper with beverage containers totaling less than 6%. Why should consumers pay \$134,000,000 annually to address 6% of the problem?

**414 WILL COST YOU PLENTY. . .AND SOLVE NOTHING.**

## Rebuttal of Statement for

A Department of Ecology study just released shows bottles and cans are only 4.2% of litter. That study shows Washington is one of the cleanest states. Our Model Law works! It cleans up all litter and stimulates recycling. Washington is a national recycling leader. Our award-winning hotline (1-800-RECYCLE) gets 200+ calls daily. Why destroy private recycling and spend \$57,000,000 in price/sales tax increases and \$77,000,000 in deposits with a 4.2% problem?

### Voters Pamphlet Statement Prepared by:

MARGARET HURLEY, State Senator; WILLIAM M. POLK, Speaker, House of Representatives; LLOYD B. ROBINSON, Committee for Litter Control & Recycling.

Advisory Committee: GENE TUURA, Washington State Recycling Association; JOHN A. BIGGS, former Director, Department of Ecology; MARVIN L. WILLIAMS, President, Washington State Labor Council, AFL-CIO; Gordon L. Martin, Washington Food Dealers Association; DON JACKMAN, Washington Grocers Association.

furnished by another person who enforces the obligation including a financing organization; or

(d) The sales transaction or evidence of debt is negotiated in the presence or with the assistance of a representative of another person who enforces the obligation including a financing organization.

**NEW SECTION.** Sec. 4. There is added to chapter 63.14 RCW a new section to read as follows:

In any transaction subject to this chapter, a person shall not be entitled to charge a higher rate of service or other interest charge which may be contained in any other chapter or title including, but not limited to, chapters 19.52, 31.04, 31.08, and 31.12 RCW, and Titles 30, 32, and 33 RCW.

Sec. 5. Section 1, chapter 90, Laws of 1981 and RCW 31.12.373 are each amended to read as follows:

Notwithstanding any other provision of law except chapter 63.14 RCW, a credit union may exercise any of the powers or authority conferred as of May 8, 1981, upon a federal credit union doing business in this state.

Sec. 6. Section 3, chapter 90, Laws of 1981 and RCW 31.12.377 are each amended to read as follows:

Notwithstanding any other provision of law except chapter 63.14 RCW, the supervisor may make reasonable rules authorizing a credit union to exercise any of the powers conferred at the time of the adoption of the rules upon a federal credit union doing business in this state if the supervisor finds that the exercise of the power:

(1) Serves the convenience and advantage of depositors and borrowers; and

(2) Maintains the fairness of competition and parity between state-chartered credit unions and federally-chartered credit unions.

Sec. 7. Section 1, chapter 87, Laws of 1981 and RCW 33.12.012 are each amended to read as follows:

Notwithstanding any other provision of law except chapter 63.14 RCW, a savings and loan association may exercise any of the powers conferred as of May 8, 1981, upon a federal savings and loan association doing business in this state.

Sec. 8. Section 2, chapter 87, Laws of 1981 and RCW 33.12.014 are each amended to read as follows:

Notwithstanding any other provision of law except chapter 63.14 RCW, the supervisor may make reasonable rules authorizing a savings and loan association to exercise any of the powers conferred at the time of the adoption of the rules upon a federal savings and loan association doing business in this state, or may modify or reduce reserve or other requirements if an association is insured by ~~((the))~~ the federal savings and loan insurance corporation, if the supervisor finds that the exercise of the power:

(1) Serves the convenience and advantage of depositors and borrowers; and

(2) Maintains the fairness of competition and parity between state-chartered savings and loan associations and federally-chartered savings and loan associations.

**NEW SECTION.** Sec. 9. There is added to chapter 30.04 RCW a new section to read as follows:

This title does not authorize a bank or trust company to engage in any practice or levy any charge prohibited by chapter 63.14 RCW.

**NEW SECTION.** Sec. 10. There is added to chapter 31.04 RCW a new section to read as follows:

This chapter does not authorize a licensee to engage in any practice or levy any charge prohibited by chapter 63.14 RCW.

**NEW SECTION.** Sec. 11. There is added to chapter 31.08 RCW a new section to read as follows:

This chapter does not authorize a licensee to engage in any practice or levy any charge prohibited by chapter 63.14 RCW.

**NEW SECTION.** Sec. 12. There is added to chapter 31.12 RCW a new section to read as follows:

This chapter does not authorize a licensee to engage in any practice or levy any charge prohibited by chapter 63.14 RCW.

**NEW SECTION.** Sec. 13. There is added to chapter 32.04 RCW a new section to read as follows:

This title does not authorize a mutual savings bank to engage in any practice or levy any charge prohibited by chapter 63.14 RCW.

**NEW SECTION.** Sec. 14. There is added to chapter 33.04 RCW a new section to read as follows:

This title does not authorize a savings and loan association to engage in any practice or levy any charge prohibited by chapter 63.14 RCW.

**NEW SECTION.** Sec. 15. (1) The state of Washington hereby declares and explicitly states that it does not want any of the provisions of the amendments contained in sections 521, 522, and 523 Part C of Public Law 96-221 to apply with respect to loans made in this state. It is the intent of the state under this section to exercise all authority granted by the Congress of the United States, and to satisfy all requirements imposed by Congress in section 525 of Part C of Public Law 96-221 for the purpose of rendering the provisions of Public Law 96-221 Title V Part C inapplicable in this state.

(2) For the purposes of this section only, the term "loan" includes all secured and unsecured loans, credit sales, forbearances, advances, renewals or other extensions of credit made by or to any person or organization.

**NEW SECTION.** Sec. 16. Section 7, chapter 77, Laws of 1981 and RCW 19.52.120 are each repealed.

**NEW SECTION.** Sec. 17. If any provision of this act or its application to any person or circumstance if held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

**NEW SECTION.** Sec. 18. The effective date of this act is February 1, 1983. On or after that date, this act shall apply only to loans or forbearances or transactions which are entered into after the effective date of this act or to existing loans or forbearances, contracts, or agreements to which there is an addition to the principal amount of the credit outstanding after the effective date of this act.



## COMPLETE TEXT OF Initiative Measure 414

AN ACT Relating to solid waste management, establishing a minimum refund value on beverage containers to promote their reuse and recycling, adding a new chapter to Title 70 RCW; prescribing penalties; and providing effective dates.

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

**NEW SECTION.** Section 1. This chapter shall be known and may be cited as the Washington State Refund Recycling Act.

**NEW SECTION.** Sec. 2. The people of the state of Washington find:

- (1) That the failure to reuse and recycle empty beverage containers represents a waste of energy and material resources.
- (2) The littering of beverage containers constitutes a public nuisance, a safety hazard, and esthetic blight and imposes upon public agencies unnecessary costs for the removal and collection of such containers.
- (3) Empty beverage containers constitute a significant and growing proportion of municipal solid waste, the disposal of which imposes a financial burden on local governments.
- (4) The reuse and recycling of empty beverage containers would reduce these unnecessary burdens on individuals, local governments, and the environment.
- (5) A system requiring a refund value on the sale of all beverage containers would result in a high level of reuse and recycling of such containers, help clean up litter, save energy, increase jobs, stabilize recycling markets, need no new bureaucracy, be self-regulating, and promote a cleaner Washington.

**NEW SECTION.** Sec. 3. Unless the context clearly requires otherwise, the definitions in this section shall apply throughout this chapter.

(1) "Beverage" means beer, ale, or other malt drink of whatever alcoholic content, and mineral water, soda water, and similar carbonated soft drinks of any variety, in liquid form and intended for human consumption, but does not include dairy products, vegetable or fruit juices, wine, tea, or spirits.

(2) "Beverage container" means an airtight container sealed by the manufacturer and designed to contain a beverage under pressure of carbonation, including, but not limited to, containers of metal, glass, plastic, or a combination of these, but does not include cups and other open receptacles.

(3) "Consumer" means any person who purchases a beverage in a beverage container for any use other than resale.

(4) "Dealer" means any person, including the operator of a vending machine, who sells, offers to sell, or engages in the sale of beverages in beverage containers to consumers in this state.

(5) "Department" means the department of ecology of the state of Washington.

(6) "Distributor" means any person who sells or offers for sale beverages in beverage containers to a dealer in this state, including any manufacturer who engages in such sales.

(7) "Manufacturer" means any person bottling, canning, or otherwise filling beverage containers for sale to distributors or dealers.

(8) "Recycling center" means an operation at a specific location or related service, which is registered with the department, where any person may redeem the amount of the refund value for any empty beverage container.

**NEW SECTION.** Sec. 4. (1) Every beverage container sold

or offered for sale to a consumer in this state shall have a refund value of not less than five cents.

(2) Except as provided in subsections (3) and (4) of this section, every beverage container sold or offered for sale in this state by a dealer shall clearly and prominently indicate the refund value by embossing, stamping, labeling, or other method of secure attachment to the beverage container on a place other than the container's bottom.

(3) The requirement in subsection (2) of this section does not apply to refillable glass beverage containers manufactured before July 1, 1984, which have a brand name permanently marked on them and a refund value of not less than five cents.

(4) The provisions of this section providing for a refund value shall not apply to any container which is sold and delivered for use and consumption on interstate public conveniences such as busses, trains, vessels, or airplanes.

**NEW SECTION.** Sec. 5. Except as provided in section 6 of this act:

(1) A dealer, or a recycling center established to provide the total refund service for a dealer, may not refuse to accept from any person any empty beverage container of the kind, size, and brand sold by the dealer or refuse to pay in cash upon request to that person, the refund value of the beverage container as established under section 4 of this act. A dealer may locate the refund and storage operations separate from the enclosed retail store area if such operations are on or adjacent to the dealer's premises; or if such operations have been arranged with a local recycling center that is near the dealer and within a convenient distance for the consumer, as defined by the department, but not more than one thousand yards away.

(2) A distributor may not refuse to accept from a dealer or a recycling center any empty beverage container of the kind, size, or brand sold by the distributor in this state, or refuse to pay the dealer or recycling center the refund value of the beverage container as established in section 4 of this act.

(3) In addition to the payment of the refund value, the distributor accepting beverage containers under subsection (2) of this section shall reimburse the dealer or recycling center for handling the beverage containers in an amount of twenty percent of such refund value, but not less than two cents per container.

(4) The department shall review the adequacy of the amount of reimbursement given to recycling centers and dealers under subsection (3) of this section and shall submit any recommended changes to the regular sessions of the Washington state legislature.

**NEW SECTION.** Sec. 6. (1) A dealer, recycling center, or distributor may refuse to accept any empty beverage container which does not state thereon the refund value as established under section 4 of this act, which contains material foreign to the normal contents of the container, or which, if glass, is broken.

(2) A dealer may establish reasonable hours when a quantity of containers in excess of forty-eight will be accepted from any one consumer, and may then refuse to accept such quantities during other hours.

**NEW SECTION.** Sec. 7. No beverage shall be sold or offered for sale to consumers in this state:

- (1) In a metal beverage container a part of which is

designed to be detached in order to open such container.

- (2) In containers connected to each other by a separate holding device constructed of plastic rings which will not decompose under natural conditions within 180 days of disposal.

**NEW SECTION.** Sec. 8. 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. 9. 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. 10. (1) The department may adopt 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 under this chapter, other than rulemaking, shall be subject to review in accordance with chapter 43.21B RCW.

**NEW SECTION.** Sec. 11. 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. 12. 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. 13. The department shall adopt by July 1, 1983, such rules and regulations as may be necessary to implement sections 1 through 12 of this act. Such rules and regulations shall take effect on July 1, 1984.

**NEW SECTION.** Sec. 14. Sections 1 through 12 of this act shall take effect July 1, 1984. Section 13 of this act shall take effect 30 days after passage by the voters.

**NEW SECTION.** Sec. 15. Sections 1 through 13 of this act shall constitute a new chapter in Title 70 RCW.

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

## PURPOSE

**NEW SECTION.** Section 1. Domestic corporations of this state and foreign corporations admitted to do an intrastate business in this state are privileged to carry on innumerable and profitable activities in this state in a corporate form. These corporations are currently subject to nominal and discriminatory annual corporate privilege fees. These fees are limited in amount, have a regressive impact on the smaller corporations, and are measured by authorized capital stock which bears little or no relationship to the extent and to the profitability of the business opportunities afforded corporations by this state.

The purpose of this title is to give recognition to the fact that the privilege of engaging in business activities in this state as a corporation, regardless of the characterization of these activities for commerce clause purposes, is a substantial privilege for which commensurate fees or taxes should be charged. Inasmuch as the profitability of the corporation is a true indication of the nature and extent of the privileges enjoyed, it is the intention of this title to measure the corporate privilege fee by the net income derived by a corporation from the activities it carries on in this state. In order that corporations who do not conduct any intrastate business in this state may be subject to an equivalent tax for comparable privileges but which cannot, because of the commerce clause of the United States Constitution, be subjected to a corporate privilege fee, there is also imposed a compensating tax on corporations doing only an interstate business in this state.

To assure that all corporations pay some fee for the privilege of conducting business activity in this state, the existing corporate fees are not affected by this title. Any existing annual corporate privilege fee, however, is credited against the corporate privilege fee imposed by this title.

If the compensating tax imposed on corporations doing an interstate business in this state is declared invalid, it is nevertheless intended that the corporate privilege fee be imposed pursuant to this title on all profit corporations conducting any intrastate business activity in this state.

## PART A

### DEFINITIONS – CONSTRUCTION RULES

**NEW SECTION.** Sec. 2. (1) CONSTRUCTION – MEANING OF TERMS. Except as otherwise expressly provided or clearly appearing from the context, any term used in this title shall have the same meaning as when used in a comparable context in the United States Internal Revenue Code of 1954 and amendments thereto or any successor law or laws relating to federal income taxes and other provisions of the statutes of the United States relating to federal income taxes as such code, laws, and statutes are in effect upon the effective date of this section.

(2) GENERALLY. (a) INTENT. It is the intention of this title that the income which constitutes the measure of the corporate privilege fee and compensating tax be the same as taxable income as defined and applicable to the subject taxpayer for the same tax year in the Internal Revenue Code, except as otherwise expressly provided in this title.



## COMPLETE TEXT OF Initiative Measure 435

AN ACT Relating to revenue and taxation; adding a new title to the Revised Code of Washington to be designated Title 82A; adding a new section to chapter 82.04 RCW; adding a new section to chapter 82.08 RCW; adding a new section to chapter 82.12 RCW; creating new sections; repealing section 28, chapter . . . (SB 4250), Laws of 1982 1st ex. sess. and RCW 82.08. . .; repealing section 29, chapter . . . (SB 4250), Laws of 1982 1st ex. sess. and RCW 82.12. . .; repealing section 33, chapter . . . (SB 4250), Laws of 1982 1st ex. sess. and RCW 82.08. . .; repealing section 34, chapter . . . (SB 4250), Laws of 1982 1st ex. sess. and RCW 82.12. . .; prescribing penalties; and providing effective dates.