



# SENATE JOINT RESOLUTION 112

## PROPOSED CONSTITUTIONAL AMENDMENT

NOTE: The ballot title and explanatory statement were written by the Attorney General as required by state law. The complete text of Senate Joint Resolution 112 begins on page 11.

Vote cast by the members of the 1983 Legislature on final passage:  
HOUSE: Yeas, 88; Nays, 8; Absent or not voting, 2.  
SENATE: Yeas, 34; Nays, 14; Absent or not voting, 1.

### Official Ballot Title:

Shall local governments marketing energy be permitted to use funds or credit to finance energy conservation by individuals and corporations?

### The law as it now exists:

A 1979 amendment to the state Constitution allows until January 1, 1990, counties, cities, towns and other municipal corporations which engage in the sale or distribution of energy to use public monies or credit derived from operating revenues to assist owners of residential structures in financing the acquisition and installation of materials and equipment for conservation or more effective use of energy. That

Constitutional amendment requires a charge-back for the extension of public monies or credit and further provides for a lien against the residential structure or equipment benefited.

### The effect of SJR 112, if approved into law:

This Constitutional amendment, if approved, would expand the constitutional eligibility for energy conservation public financing beyond the current restriction (only to owners of residential structures) to any individual, association or corporation using the funds for energy conservation purposes.

This measure would also constitutionally permit local governments marketing energy to issue debt instruments repayable from revenues to finance these energy conservation purposes.

The amendment also removes references in the current Constitution to "more effective use of energy", leaving "conserving energy" as the sole standard of eligibility. It further removes the constitutional requirement that a lien or other

adequate security be provided for the financing of energy conservation purposes for residential structures.

The expiration date of the constitutional provision authorizing this program would be changed from 1990 to 2005.

## Statement for

SJR 112 encourages energy conservation, which is the most cost-effective and low-risk energy resource available. Electric utilities have found conservation investments to be more cost-effective than investing in new power plants. All ratepayers benefit when utilities purchase the least expensive resource to provide their electricity. SJR 112 extends the ability of public utilities to encourage conservation by authorizing them to offer financing programs to tenants and businesses. This benefits all ratepayers.

Currently publicly owned utilities can make loans only to the owners of residential structures. SJR 112 will allow conservation loans to tenants and businesses. Privately owned utilities already have this authority and are operating highly successful cost-effective conservation loan programs. SJR 112 loans are restricted to conservation improvements which save energy at a cost which is lower than the cost of new electrical resources.

Voter approval of SJR 112 will help keep energy costs down for the customers of publicly owned utilities. Under SJR 112 utilities are required to use private contractors for installations and to buy the devices from private businesses so that the economy will be strengthened, and so there will be no unfair competition.

Publicly owned utilities have used this authority to make conservation loans to owners of homes and apartments very successfully. They have conserved millions of BTUs of energy. With rising energy prices for all utility ratepayers, it is crucial to extend utility conservation to all ratepayers of publicly owned utilities. SJR 112 will make it easier for all ratepayers to conserve energy, and it will ensure that all ratepayers benefit through lower energy costs.

## Rebuttal of Statement against

SJR 112 will not allow the lending of the state's monies and credit. No tax dollars are involved. Only funds from the sale of electricity can be used for conservation loans.

No public electricity suppliers will be required to make loans. SJR 112 is permissive, not mandatory.

The Legislature has already enacted laws to prevent any possible abuses in the administration of this program. The enabling legislation specifically prohibits conservation investments which are not cost-effective.

### Voters' Pamphlet Statement Prepared by:

AL WILLIAMS, State Senator; DICK NELSON, State Representative; RAY ISAACSON, State Representative.

Advisory Committee: MAX BENITZ, State Senator; CAROL MONOHON, State Representative; CHARLES ROYER, Mayor, City of Seattle; DOUG SUTHERLAND, Mayor, City of Tacoma; RUTH COFFIN, President, League of Women Voters of Washington.

## Statement against

SSJR 112 unnecessarily expands our state constitution. Public utilities supplying energy should not lend their moneys and credit to finance private individuals, associations, companies or corporations. Passage of this referendum is certain to lead to lending of the state's moneys and credit for private purposes.

Conservation is an important issue but should not be encouraged without review of its total cost. Private businesses have other ways to finance energy conservation without public utilities becoming involved in lending money. Industrial revenue bonds are already available to meet this need.

SSJR 112 inappropriately permits assistance to private businesses without adequate restrictions. Standards for eligibility are openly expanded and abuse in administering this assistance is possible. Public utility programs financing private and commercial buildings means additional costs ratepayers could bare in the form of higher electric bills.

Moneys will be needed to start commercial lending programs for public utility districts and other public energy suppliers. A charge back to the private recipient is not enough. The cost could be substantial to lend moneys to our state's largest associations, companies and corporations. Some public energy suppliers may be forced to borrow in order to finance their commercial conservation programs.

SSJR 112 is a questionable use of public moneys and credit. Taxes and public funds should be used for public functions and projects. It is unwise to obligate cities, towns, public utility districts and other municipal energy suppliers to finance private energy programs. Not all public energy

suppliers want this burden or favor this referendum. Vote no on SSJR 112.

## Rebuttal of Statement for

Approval of SSJR 112 is no guarantee energy costs will be kept down for customers of publicly-owned utilities. Conservation programs are expensive and public utilities should not be subsidizing private tenants and businesses.

Our present energy surplus is causing all energy suppliers to re-evaluate their conservation programs. Publicly-owned utilities should not at this time expand their programs beyond financing residential demands. They were not founded to openly lend their moneys and credit. VOTE NO

### Voters' Pamphlet Statement Prepared by:

SCOTT BARR, State Senator; DAN McDONALD, State Representative; CHARLES MOON, State Representative.

BE IT FURTHER RESOLVED, That the secretary of state shall cause notice of the foregoing constitutional amendment to be published at least four times during the four weeks next preceding the election in every legal newspaper in the state.



## COMPLETE TEXT OF Senate Joint Resolution 112

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 VIII, section 10, of the Constitution of the state of Washington to read as follows:

Article VIII, section 10. Notwithstanding the provisions of sections 5 and 7 of this Article, until January 1, ~~((1980))~~ 2005 any county, city, town, quasi municipal corporation, municipal corporation, or political subdivision of the state which is engaged in the sale or distribution of energy may, as authorized by the legislature, use public moneys or credit derived from operating revenues from the sale of energy ~~((to assist the owners of residential structures in financing the acquisition and installation of materials and equipment for the conservation or more efficient use of energy in such structures))~~, or lend its credit financed by the issuance of debt instruments secured solely by revenues, to provide financing to individuals, associations, companies, or corporations to be used for the purposes of conserving energy. Except as provided in section 7 of this Article, an appropriate charge back to the recipient shall be made for such extension of public moneys or credit and the same ~~((shall))~~ may be a lien against the ~~((residential))~~ structure or equipment benefited, or against such other adequate security as specified by implementing legislation that the legislature is hereby authorized to enact.

Activities authorized by this section are deemed to be for a public purpose.

Except as to ~~((contracts entered into))~~ bonds and loans issued prior ~~((thereto, this amendment to the state Constitution shall be null and void as of January 1, 1998 and shall have no further force or effect after that date))~~ to January 1, 2005, this section shall expire on January 1, 2005.

BE IT FURTHER RESOLVED, That the secretary of state shall cause notice of the foregoing constitutional amendment to be published at least four times during the four weeks next preceding the election in every legal newspaper in the state.

SPECIAL NOTE: The following is the complete text of Chapter 16, Laws of 1983. Although this measure will *not* be voted upon at the state general election on November 8, it contains the implementing statutes for Senate Joint Resolution 103 and will become effective if that proposed constitutional amendment is approved by a majority of the voters. The text of this law is included to facilitate each voter's understanding of the effect of the adoption of that proposed amendment to the state constitution.

AN ACT Relating to reapportionment and redistricting; amending section 27, Chapter 2, Laws of 1982 and RCW 29.70.100; creating a new chapter in Title 44 RCW; repealing section 18, chapter 2, Laws of 1982 and RCW 29.70.010; repealing section 19, chapter 2, Laws of 1982 and RCW 29.70.020; repealing section 20, chapter 2, Laws of 1982 and RCW 29.70.030; repealing section 21, chapter 2, Laws of 1982 and RCW 29.70.040; repealing section 22, chapter 2, Laws of 1982 and RCW 29.70.050; repealing section 23, chapter 2, Laws of 1982 and RCW 29.70.060; repealing section 24, chapter 2, Laws of 1982 and RCW 29.70.070; repealing section 25, chapter 2, Laws of 1982 and RCW 29.70.080; repealing section 26, chapter 2, Laws of 1982 and RCW 29.70.090; repealing section 28, chapter 2, Laws of 1982 and RCW 29.70.110; repealing section 29, chapter 2, Laws of 1982 and RCW 29.70.120; repealing section 30, chapter 2, Laws of 1982 and RCW 29.70.130; repealing section 31, chapter 2, Laws of 1982 and RCW 29.70.900; repealing section 33, chapter 2, Laws of 1982 and RCW 29.70.910; and providing for a contingent effect.

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

**NEW SECTION.** Sec. 1. This act may be cited as the Washington State Redistricting Act.

**NEW SECTION.** Sec. 2. The definitions set forth in this section apply throughout this chapter, unless the context requires otherwise.

(1) "Chief election officer" means the secretary of state.

(2) "Federal census" means the decennial census required by federal law to be prepared by the United States bureau of the census in each year ending in zero.

(3) "Lobbyist" means an individual required to register with the Washington public disclosure commission pursuant to RCW 42.17.150.

(4) "Plan" means a plan for legislative and congressional redistricting mandated by Article II, section \_\_\_\_\_ of the state Constitution.

**NEW SECTION.** Sec. 3. A redistricting commission shall be established in January of each year ending in one to accomplish state legislative and congressional redistricting. The five-member commission shall be appointed as follows:

(1) Each legislative leader of the two largest political parties in each house of the legislature shall appoint one voting member to the commission by January 15th of each year ending in one.

(2) The four legislators appointing commission members pursuant to this section shall certify their appointments to the chief election officer. If an appointing legislator does not certify an appointment by January 15th of each year ending in one, within five days the supreme court shall certify an appointment to the chief election officer.

(3) No later than January 31st of the year of their selection, the four appointed members, by an affirmative vote of at least three, shall appoint and certify to the chief election officer the nonvoting fifth member who shall act as the commission's chairperson. A vacancy on the commission shall be filled by the person who made the initial appointment, or their successor, within fifteen days after the vacancy occurs.

**NEW SECTION.** Sec. 4. Before serving on the commission every person shall take and subscribe an oath to faithfully



notify the applicant in writing of the terms and conditions upon which such new lease will be granted, and of the rental to be paid, and if the applicant shall within ninety days thereafter elect to accept a new lease of such harbor area upon the terms and conditions, and at the rental prescribed by the department, the department shall make a new lease for such harbor area for the term applied for and the existing lease shall thereupon be surrendered and canceled.

Sec. 2. Section 76, chapter 21, Laws of 1982 1st ex. sess. and RCW 79.92.080 are each amended to read as follows:

Upon expiration of any harbor area lease upon tidal waters hereafter expiring, the owner thereof may apply for a re-lease of such harbor area for a period not exceeding ~~((thirty))~~ fifty-five years. Such application shall be accompanied with maps showing the existing improvements upon such harbor area and the tidelands adjacent thereto and with proper plans, drawings, and other data showing any proposed extensions or improvements of existing structures. Upon the filing of such application the department of natural resources shall forthwith investigate the same and if it shall determine that the character of the wharves, docks or other conveniences of commerce and navigation are reasonably adequate for the public needs and in the public interest, it shall by order fix and determine the terms and conditions upon which such re-lease shall be granted and the rate of rental to be paid, which rate shall be a fixed percentage during the term of such lease on the true and fair value in money of such harbor area as determined from time to time by the department of natural resources in accordance with RCW 79.92.050.

**NEW SECTION.** Sec. 3. This act shall take effect on the same date as the proposed amendment to Article XV, section 2 of the state Constitution (SJR No. 105) is validly submitted and is approved and ratified by the voters at a general election held in November, 1983. If the proposed amendment is not so approved and ratified, this act shall be null and void in its entirety.

**SPECIAL NOTE:** The following is the complete text of Chapter 62, Laws of 1983. Although this measure will *not* be voted upon at the state general election on November 8, it contains the implementing statutes for Senate Joint Resolution 112 and will become effective if that proposed constitutional amendment is approved by a majority of the voters. The text of this law is included to facilitate each voter's understanding of the effect of the adoption of that proposed amendment to the state constitution.

AN ACT Relating to financing energy conservation measures; amending section 1, chapter 239, Laws of 1979 ex. sess. and RCW 35.92.355; amending section 2, chapter 239, Laws of 1979 ex. sess. and RCW 35.92.360; amending section 3, chapter 239, Laws of 1979 ex. sess. and RCW 54.16.280; and providing and expiration date.

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

Sec. 1. Section 1, chapter 239, Laws of 1979 ex. sess. and RCW 35.92.355 are each amended to read as follows:

The conservation of energy in all forms and by every possible means is ~~((found and declared to be))~~ a public purpose of highest priority. The legislature further finds ~~((and declares))~~ that all municipal corporations, quasi municipal corporations, and other political subdivisions of the state

which are engaged in the ~~((generation))~~ sale~~(-)~~ or distribution of energy should be granted the authority to develop and carry out programs which will conserve resources, reduce waste, and encourage more efficient use of energy by ~~((consumers))~~ individuals, associations, companies, or corporations.

In order to establish the most effective state-wide program for energy conservation, the legislature ~~((hereby))~~ encourages any company, corporation, or association engaged in selling or furnishing utility services to assist ~~((their))~~ its customers in the acquisition and installation of materials and equipment, for compensation or otherwise, for the conservation or more efficient use of energy.

Sec. 2. Section 2, chapter 239, Laws of 1979 ex. sess. and RCW 35.92.360 are each amended to read as follows:

Any city or town engaged in the ~~((generation))~~ sale~~(-)~~ or distribution of energy is ~~((hereby))~~ authorized, within limits established by the Constitution of the state of Washington, to assist ~~((the owners of residential structures))~~ individuals, associations, companies, or corporations in financing the acquisition and installation of materials and equipment, for compensation or otherwise, for the conservation or more efficient use of energy ~~((in such structures pursuant to))~~ under an energy conservation plan adopted by the city or town if the cost per unit of energy saved or produced by the use of ~~((such))~~ these materials and equipment is less than the incremental system cost ~~((per unit of energy produced by the next least costly new energy resource))~~ of generating, transmitting, and distributing electricity from the lowest cost alternative new source of supply which the city or town could acquire to meet future demands. Except where otherwise authorized, ~~((such))~~ assistance shall be limited to:

~~(1) ((Providing an inspection of the residential structure, either directly or through one or more inspectors under contract, to determine and inform the owner of the estimated cost of purchasing and installing conservation materials and equipment for which financial assistance will be approved and the estimated life cycle savings in energy costs that are likely to result from the installation of such materials or equipment;~~

~~(2) Providing a list of businesses who sell and install such materials and equipment within or in close proximity to the service area of the city or town, each of which businesses shall have requested to be included and shall have the ability to provide the products in a workmanlike manner and to utilize such materials in accordance with the prevailing national standards;~~

~~(3) Arranging to have approved conservation materials and equipment installed by a private contractor whose bid is acceptable to the owner of the residential structure and verifying such installation; and~~

~~(4) Arranging or providing financing for the purchase and installation of approved conservation materials and equipment. Such materials and equipment shall be purchased from a private business and shall be installed by a private business or the owner.~~

~~(5) Pay back shall be in the form of incremental additions to the utility bill, billed either together with use charge or separately. Loans shall not exceed one hundred twenty months in length.)~~ Providing an energy conservation analysis to the customer, either directly or through one or more consultants under contract. The analysis may include estimates

of the purchase, installation, operation, and maintenance costs and other relevant information regarding characteristics of conservation materials and equipment, anticipated reductions in energy use, and associated reduction in energy costs, and recommendations on desirable energy conservation investments and practices;

(2) Arranging or providing financing for the purchase and installation of conservation materials and equipment which the city or town determines to be appropriate and to meet the requirements of this section. These materials and equipment shall be purchased from a private business and shall be installed by a private business or the customer. Financing may be secured by a lien against the structure benefited, by a performance bond, or by other methods provided under the uniform commercial code, Title 62a RCW. Loans shall not exceed one hundred twenty months in length;

(3) Arranging or coordinating the installation of materials and equipment by a private contractor whose bid is acceptable to the customer and to the city or town;

(4) Inspecting the work performed to verify proper installation of the materials and equipment; and

(5) When a city or town recommends financing measures which directly affect a system using another source of fuel, a copy of the recommendation shall be provided to the last known supplier of fuel for that system at the same time it is supplied to the customer.

Sec. 3. Section 3, chapter 239, Laws of 1979 ex. sess. and RCW 54.16.280 are each amended to read as follows:

Any district is ~~((hereby))~~ authorized, within limits established by the Constitution of the state of Washington, to assist ~~((the owners of residential structures))~~ individuals, associations, companies, or corporations in financing the acquisition and installation of materials and equipment, for compensation or otherwise, for the conservation or more efficient use of energy ~~((in such structures pursuant to))~~ under an energy conservation plan adopted by the district if the cost per unit of energy saved or produced by the use of ((such)) these materials and equipment is less than the incremental system cost ((per unit of energy produced by the next least costly new energy resource)) of generating, transmitting, and distributing electricity from the lowest cost alternative new source of supply which the district could acquire to meet future demands. Except where otherwise authorized, ~~((such))~~ assistance shall be limited to:

~~(1) ((Providing an inspection of the residential structure, either directly or through one or more inspectors under contract, to determine and inform the owner of the estimated cost of purchasing and installing conservation materials and equipment for which financial assistance will be approved and the estimated life cycle savings in energy costs that are likely to result from the installation of such materials or equipment;~~

~~(2) Providing a list of businesses who sell and install such materials and equipment within or in close proximity to the service area of the district, each of which businesses shall have requested to be included and shall have the ability to provide the products in a workmanlike manner and to utilize such materials in accordance with the prevailing national standards.~~

~~(3) Arranging to have approved conservation materials and equipment installed by a private contractor whose bid is acceptable to the owner of the residential structure and verifying such installation; and~~

~~(4) Arranging or providing financing for the purchase and~~

~~installation of approved conservation materials and equipment. Such materials and equipment shall be purchased from a private business and shall be installed by a private business or the owner.~~

(5) Pay back shall be in the form of incremental additions to the utility bill, billed either together with use charge or separately. Loans shall not exceed one hundred twenty months in length.) Providing an energy conservation analysis to the customer, either directly or through one or more consultants under contract. The analysis may include estimates of the purchase, installation, operation, and maintenance costs and other relevant information regarding characteristics of conservation materials and equipment, anticipated reductions in energy use, and associated reduction in energy costs, and recommendations on desirable energy conservation investments and practices;

(2) Arranging or providing financing for the purchase and installation of conservation materials and equipment which the city or town determines to be appropriate and to meet the requirements of this section. These materials and equipment shall be purchased from a private business and shall be installed by a private business or the customer. Financing may be secured by a lien against the structure benefited, by a performance bond, or by other methods provided under the uniform commercial code, Title 62A RCW. Loans shall not exceed one hundred twenty months in length;

(3) Arranging or coordinating the installation of materials and equipment by a private contractor whose bid is acceptable to the customer and to the district;

(4) Inspecting the work performed to verify proper installation of the materials and equipment; and

(5) When a district recommends financing measures which directly affect a system using another source of fuel, a copy of the recommendation shall be provided to the last known supplier of fuel for that system at the same time it is supplied to the customer.

**NEW SECTION.** Sec. 4. This act shall expire January 1, 2005.

**NEW SECTION.** Sec. 5. This 1983 act shall take effect on the same date as the proposed amendment to Article VIII of the state Constitution, authorizing the use of public moneys or credit to promote conservation or more efficient use of energy, is validly submitted and is approved and ratified by the voters at a general election held in November, 1983. If the proposed amendment is not so approved and ratified, this 1983 act shall be null and void in its entirety.