



# HOUSE JOINT RESOLUTION 23

## 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 House Joint Resolution 23 begins on page 13.

Vote cast by the 1985 Legislature on final passage:  
HOUSE: Yeas, 80; Nays, 16; Absent or not voting, 2.  
SENATE: Yeas, 33; Nays, 14; Absent or not voting, 2.

### Statement for

#### THE PURPOSE OF HJR 23 IS TO IMPROVE COMMUNITIES AND CREATE MORE JOBS

By attracting private investment through public improvements, HJR 23 will give local governments and citizens the opportunity to improve their communities and create new jobs. HJR 23 monies can be used **only** to create **public** improvements, such as parks, road improvements, street lights, and public parking.

#### CRITICAL NEED FOR LOCAL TOOLS DUE TO FEDERAL CUTBACKS

Federal programs for local improvements, such as revenue sharing, community block grants and industrial development bonds are being cut back. We can't count on the federal government: We need locally controlled programs like HJR 23.

#### WITHOUT HJR 23, WASHINGTON IS AT A DISADVANTAGE

Twenty-nine other states—including Oregon—already have programs like HJR 23, and use them aggressively and effectively. This gives these other states an advantage over our state. They can make public improvements to bring new businesses and jobs to their areas. We can't. We need HJR 23 to make our state more competitive.

#### WHY IT WORKS SO WELL: LOCAL CONTROL

HJR 23 will permit bond issues for public improvements, with agreement that private development will occur in the same area. The increased property values from that devel-

### Official Ballot Title:

Shall counties and cities be permitted to finance public improvements through tax revenues resulting from increased values of benefited properties?

### The law as it now exists:

Under current law the cost of some public improvements may be financed by charges and fees for the use of the facilities. Public improvements may also be financed through special assessments imposed by local improvement districts.

If a county or city uses general property tax revenues

opment results in higher property tax collections **within that area**, and those increased revenues repay the bonds. Only those who benefit pay.

This entire process is controlled by local citizens. HJR 23 **requires** the opportunity for each and every citizen to have a say. Public hearings are required, and local planning boards and city councils must give final approval.

### Rebuttal of Statement against

Only those who benefit pay. HJR 23 will not raise homeowner or business tax rates. Only properties which directly increase in value because of improvements would be affected.

Small businesses gain most. In the 29 other states that use this popular economic development tool, small businesses have benefited most.

Neighborhoods are protected. All HJR 23 projects must, by law, comply with strict local development regulations. Your right to participate in the decision is guaranteed by law.

For additional information, call (206) 728-1100.

#### Voters' Pamphlet Statement Prepared by:

ALAN THOMPSON, State Senator; JOE TANNER, State Representative; JEANNETTE HAYNER, State Senator.

Advisory Committee: H.A. "BARNEY" GOLTZ, State Senator; PHILIP B. SWAIN, President, The Municipal League of Seattle and King County; LAWRENCE KENNEY, Secretary-Treasurer, Washington State Labor Council, AFL-CIO; BOB OVERSTREET, President, Association of Washington Cities; GEORGE REITEMEIR, President and General Manager, Spokane Area Chamber of Commerce.

to finance public improvement projects, then all taxpayers in the county or city pay for the project, irrespective of whether their specific properties have increased in value due to the public improvement. When the value of specific real property increases the various taxing units (state, county, city, port district, etc.) receive a proportional part of increased tax revenue without regard to the reasons that the property increased in value.

### The effect of HJR 23, if approved into law:

The Constitution would be amended to empower the legislature, by general law, to permit counties and cities to create "districts" containing real property which, as determined by the county or city, will increase in value by reason of specific public improvements. Then, within the "district" the additional revenue from the incremental taxes resulting from increased property values could be earmarked in

### Statement against

#### HJR 23 MEANS HIGHER PROPERTY TAXES

Property owners near a project area can expect to see a major increase in their property taxes, as raised property values associated with the public projects will require the county assessor to raise assessments in the surrounding area.

#### HJR 23 DAMAGES SMALL BUSINESS

With publicly-subsidized developments, unfair competition is created, decreasing profits and driving some businesses into failure and bankruptcy.

#### HJR 23 WILL INCREASE INTEREST RATES

Bonds authorized by HJR 23 will compete with other projects for a limited pool of investor funds, driving up interest costs. Our state and national debts already are overwhelming (the national debt is at the trillion dollar level with annual interest costs exceeding \$100 billion). Can we really allow these astronomical costs to go higher?

#### HJR 23 WILL DESTROY NEIGHBORHOODS

If HJR 23 becomes part of our Constitution, many neighborhoods will have their character destroyed or altered by uncontrolled expansion of unnecessary or questionable projects.

#### HJR 23 — A "WOLF IN SHEEP'S CLOTHING"

In 1973, a similar Constitutional Amendment (HJR 22) was on the ballot. It was called a "community redevelopment" issue that time. Our citizens rejected HJR 22 by a margin of nearly 3 to 1.

whole or in part to pay for the public improvement or to fund the public obligations incurred to fund the project.

The "Community Redevelopment Financing Act of 1982," chapter 42, Laws of 1982, 1st Ex. Sess. will, if this constitutional amendment is approved, then become effective. That statute, which is confined to urban areas, could be amended to apply as well to non-urban areas.

In 1982, SJR 143 was placed on the ballot and it was called "tax increment financing." This was defeated by the voters by a margin of 882,194 opposed, to 393,030 in favor, on the statewide vote.

An issue such as HJR 23, which has been so soundly defeated twice by the voters in a statewide ballot, certainly is a "wolf in sheep's clothing."

### Rebuttal of Statement for

History shows government cannot spend its way to prosperity. Removing government regulation standing in the way of new businesses is the best way to create jobs. The only thing most people will get from HJR 23 is higher property taxes.

HJR 23 provides for General Obligation Bonds, which all taxpayers will pay, for the benefit of private investors. Remember, its passage would give the politicians the right to issue these bonds without a taxpayers' vote.

#### Voters' Pamphlet Statement Prepared by:

A.L. "SLIM" RASMUSSEN, State Senator; HOMER LUNDQUIST, State Representative; BOB McCASLIN, State Senator.

Advisory Committee: PAUL O. SNYDER, Citizen Taxpayer Association; GLADYS E. EDWARDS, Property Owners Protection Association, Seattle; WILLIAM FOSBRE, Thurston County Chapter, Overtaxed.

“yes”: PROVIDED FURTHER, That any such taxing district shall have the right by vote of its governing body to refund any general obligation bonds of said district issued for capital purposes only, and to provide for the interest thereon and amortization thereof by annual levies in excess of the tax limitation provided for herein, AND PROVIDED FURTHER, That the provisions of this section shall also be subject to the limitations contained in Article VIII, Section 6, of this Constitution;

(c) By the state or any taxing district for the purpose of paying the principal or interest on general obligation bonds outstanding on December 6, 1934; or for the purpose of preventing the impairment of the obligation of a contract when ordered so to do by a court of last resort.

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.

or any part of the full faith and credit of the sponsor or any other state or local government, or any tax revenues other than tax allocation revenues, and shall not be considered a debt of the sponsor or other state or local government for general indebtedness limitation purposes.

For the purposes of the section, “property taxes” means:

(1) Property taxes subject to the aggregate limitation on tax levies by the state and all taxing districts in section 2 of this Article; and

(2) Property taxes levied by port districts and public utility districts, except for property taxes levied specifically for the purpose of making required payments of principal and interest on general indebtedness.

For purposes of this section, “public improvements” means capital projects that benefit the public at large and do not discriminate against any citizen on the basis of race, national origin, color, sex, age, economic status, or the presence of any sensory, mental, or physical handicap.

Nothing in this section authorizes the provision of public improvements which counties, cities, and towns may not otherwise provide.

Nothing in this section authorizes a county, city, or town to exercise powers of eminent domain contrary to the provisions of Article I, section 16.

Nothing in this section authorizes a county, city, or town to pledge all or part of its full faith and credit without complying with the laws relating to the incurring of general indebtedness, including Article VIII, section 1 and Article VIII, section 6, or to aggregate tax levies in excess of the limitation on levies in section 2 of this Article.

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 House Joint Resolution 23

The following constitutional amendment is being proposed as a new section to be added to Article VII of the state Constitution.

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 state Constitution by adding a new section to read as follows:

Article VII, section . . . . . Notwithstanding any provision of this Constitution, the legislature may by general law for the purpose of permitting special financing of public improvements authorize the legislative authority of any county, city, or town to create boundaries, within its jurisdiction, after such legislative authority conducts a public hearing, containing only that real property which the legislative authority determines will be increased in true and fair value by reason of specified public improvements within those boundaries. The legislature may further provide that all or a portion of the property taxes levied within those boundaries against increases in the true and fair value of such real property may be used to pay for the specified public improvements or to pay public obligations incurred to fund the specified public improvements. Any such public obligations payable solely from revenues from these public improvements, including such property taxes levied against the increases in real property value and other available non tax money shall not be the general obligation of or guaranteed by all



## COMPLETE TEXT OF House Joint Resolution 42

The following constitutional amendment is being proposed as a new section to be added to Article VIII of the state Constitution.

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 of the Constitution of the