



REFERENDUM BILL 43

CHAPTER 7, LAWS OF 1994,
1ST SPECIAL SESSION

Note: The explanatory statement was written by the Attorney General as required by law. The ballot title was submitted as part of Referendum Bill 43. The complete text of Referendum Bill 43 begins on page 15.

Vote cast by the 1994 Legislature on final passage:
House: Yeas, 51; Nays, 43; Absent, 0; Excused, 4.
Senate: Yeas, 26; Nays, 20; Absent, 0; Excused, 3.

Statement for

GET TOUGH, BE SMART

Referendum 43 funds a comprehensive attack on drugs and violent crime.

It continues funding for important and proven efforts to prevent drug abuse and prosecute drug crimes:

- Prosecutors to go after drug dealers;
- School security personnel to protect our children;
- Alcohol and drug testing for criminals on parole;
- Intervention, treatment and prevention programs for youth and troubled families.

It pays for new steps to fight violent crime by young people:

- Tougher sentences for violent youth;
- Tougher sentences for drive-by shootings;
- Tougher sentences for crimes involving guns;
- Prosecution and sentencing of serious juvenile offenders as adults.

We need to be tough and smart to fight drugs and violence. Referendum 43 is a tough, smart strategy.

GIVING PARENTS, COMMUNITIES A VOICE

Parents, working with their neighbors and community leaders, will choose which strategies to fund in their local communities. But efforts will have to show results or lose their funding, so taxpayers won't keep paying for programs that don't work.

NO NEW TAXES

These efforts are funded by cigarette, alcohol, and pop syrup taxes, most of which have been in place since 1989. There are **no new taxes** in Referendum 43, though it increases the tax on cigarettes and greatly reduces the tax on pop. Alcohol taxes stay the same.

Official Ballot Title:

Shall taxes on sales of cigarettes, liquor, and pop syrup be extended to fund violence reduction and drug enforcement programs?

The law as it now exists:

The 1993 legislature enacted temporary additional taxes on the sale of wine, beer, spirits, and cigarettes, and provided that the revenues from these taxes would be used to pay for drug enforcement and educational programs.

BACKING UP TOUGH TALK

Initiative 601 requires your approval to continue funding for these important, proven efforts. Without your "Yes" vote, the dedicated funding for these efforts will disappear.

A "Yes" vote says keep up the fight against drugs and violence in our communities — and fight even harder.

Vote "Yes" on Referendum 43.

For more information, call (206) 627-4343.

Rebuttal of Statement against

Referendum 43 has *no new taxes*. It continues funding for crime fighting actions working since 1989. Referendum 43 is about strengthening the front-line fight for safer schools and neighborhoods. Funding, mostly from cigarettes, goes *only* to fight drugs and crime with proven steps like DARE, tougher sentences for violent juveniles and special drug crime prosecutors. Police, prosecutors and parents support Referendum 43 because it's vital to our future. Vote "YES" to combat drugs and violence.

Voters Pamphlet Statement Prepared by:

MARLIN APPELWICK, State Representative; MARCUS GASPARD, State Senator; BRIAN EBERSOLE, Speaker, State House of Representatives.

Advisory Committee: PAMEAKES, Chair, Mothers Against Violence in America; REV. DR. SAMUEL B. MCKINNEY, Senior Pastor, Mount Zion Baptist Church; NORM MALENG, King County Prosecutor; JOHN A. MOYER, M.D., State Senator; MIKE PATRICK, Executive Director, Washington State Council of Police Officers.

These taxes are scheduled to expire on July 1, 1995. In addition, the 1991 legislature imposed a tax on the sale of carbonated beverages and syrup, with the revenue also to be placed in the drug enforcement and education fund.

The effect of Referendum Bill 43, if approved into law:

This referendum is on the tax portions of E2SHB 2319, entitled "an act relating to violence prevention." The bill contains a number of provisions, including: planning for public health services improvements, community health and safety networks, revising firearm-related crimes and sentencing, revising the laws on licenses to carry firearms, authorizing local governments to enact curfew ordinances and other public safety laws, violence-reduction programs in the schools, and measures to reduce the effects of violence on television. To pay for these new programs, the bill would indefinitely extend the 1993 taxes on sale of wine, beer, and spirits, and would extend the cigarette sales tax

while increasing it from one and one half mills to five and one-fourth mills per cigarette. The 1991 carbonated beverage tax would be revised to one dollar per gallon on the sale of syrup for use in carbonated beverages. All these taxes would be placed in a violence reduction and drug enforcement account. This referendum is on the tax portions of the bill, and would not directly affect the remainder. However, the bill provides that certain sections relating to enhanced sentences for crime will automatically expire on July 1, 1995, if the voters reject this referendum. There are other taxes on the sale of liquor and cigarettes which would not be affected by this referendum.

NOTE: As indicated in the explanatory statement by the Attorney General the amendments made in certain sections of Chapter 7, Laws of 1994, 1st Special Session, (the Youth Violence Bill) will expire on July 1, 1995, if the referendum is not approved by the voters. A copy of those sections can be obtained by calling the Voter Hotline at 1-800-448-4881.

Statement against

REFERENDUM 43: VOTE YES AND YOU'RE THE VICTIM.

It's bad enough that Washington citizens live in fear of being victimized by violent criminals. But voting for Referendum 43 will make taxpayers victims *again*—victims of those in Olympia who spent \$16 billion for bigger government, and now want to raise your taxes \$114 million for public safety.

Vote NO on Referendum 43 and tell Olympia to fund anti-crime efforts *first* and bureaucracy *last*.

\$1 IN PUBLIC SAFETY FOR EVERY \$3 IN SOCIAL PROGRAMS.

Referendum 43 will raise taxes \$114 million. But for every dollar the Youth Violence Prevention Act would spend on public safety, it would spend \$3 for the kinds of government programs that have allowed the number of violent crimes to jump 93% in less than 18 years.

PUBLIC SAFETY NEEDS PRIORITY SPENDING AND ACCOUNTABILITY, NOT HIGHER TAXES.

Think we need new taxes to cover a huge prison budget? Think again.

Prison costs are just 2.5% of the state budget. And while millions of our tax dollars are still being spent on state travel, retreats, office furnishings and equipment, a brand-new prison sits empty near Spokane because the Legislature wouldn't provide \$7 million from the state's \$337 million savings account to open the doors.

New taxes will reward big-spending bureaucracy with more money to spend, without significantly reducing crime.

VOTE NO AND FORCE LAWMAKERS TO FUND PUBLIC SAFETY FIRST.

A vote *against* Referendum 43 will give lawmakers 9 months to revise the law and make public safety a top budget priority. We *can* get violent criminals off our streets without new taxes. Vote *no* and force legislators to reduce wasteful spending and put the savings into community law enforcement, public protection and more jails for criminals.

Rebuttal of Statement for

Tax-increase supporters say, "Referendum 43 has no new taxes." But we'll pay millions more in taxes if Referendum 43 is approved — taxes we don't need.

Criminal justice funding will NOT automatically disappear if you vote "No." Legislators have a year — and enough money — to fund public safety programs with *existing revenues*.

Please vote "No" on Referendum 43. Tell lawmakers to make our safety top priority, and pay for public safety *first* — without new taxes.

Voters Pamphlet Statement Prepared by:

MIKE PADDEN, State Representative; DAN McDONALD, State Senator; TOM CAMPBELL, State Representative.

Advisory Committee: ANN ANDERSON, State Senator; LINDA SMITH, State Senator; IDA BALLASIOTES, State Representative; BETTY EDMONDSON, State Representative; HELEN HARLOW, Founder of Tennis Shoe Brigade.



COMPLETE TEXT OF Initiative Measure 607 (cont.)

in this chapter, effective January 1, 1995, benefits shall not be denied thereunder for any service performed by a dentist licensed under chapter 18.—RCW (sections 2 through 17 of this act) if (1) the service performed was within the lawful scope of such person's license, and (2) such agreement would have provided benefits if such service had been performed by a dentist licensed under chapter 18.32 RCW.

NEW SECTION. Sec. 26. 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.

PLEASE NOTE:

In the preceding and following measures, all words in double parentheses with a line through them are in the State Law at the present time and are being taken out by the measure. All words underlined do not appear in the State Law as it is now written but will be put in if the measure is adopted.

To obtain a copy of the texts of these state measures in larger print, call the Secretary of State's toll-free hotline -- 1-800-448-4881.



COMPLETE TEXT OF Referendum Bill 43

AN ACT Relating to violence prevention; amending RCW 66.24.210, 66.24.290, 82.08.150, 82.24.020, 82.64.010, 82.64.020, 82.64.030, 82.64.040; repealing RCW 82.64.060, and 82.64.900; providing an effective date; and providing for submission of this act to a vote of the people.

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

PART IX. MISCELLANEOUS

Sec. 901. RCW 66.24.210 and 1993 c 160 s 2 are each amended to read as follows:

(1) There is hereby imposed upon all wines sold to wine wholesalers and the Washington state liquor control board, within the state a tax at the rate of twenty and one-fourth cents per liter: PROVIDED, HOWEVER, That wine sold or shipped in bulk from one winery to another winery shall not be subject to such tax. The tax provided for in this section may, if so prescribed by the board, be collected by means of stamps to be furnished by the board, or by direct payments based on wine purchased by wine wholesalers. Every person purchasing wine under the provisions of this section shall on or before the twentieth day of each month report to the board all purchases during the preceding calendar month in such manner and upon such forms as may be prescribed by the board, and with such report shall pay the tax due from the purchases covered by such report unless the same has previously been paid. Any such purchaser of wine whose applicable tax payment is not postmarked by the twentieth day following the month of purchase will be assessed a penalty at the rate of two percent a month or fraction thereof. If this tax be collected by means of stamps, every such person shall procure from the board revenue stamps representing the tax in such form as the board shall prescribe and shall affix the same to the package or container in such manner and in such denomination as required by the board and shall cancel the same prior to the delivery of the package or container containing the wine to the purchaser. If the tax is not collected by means of stamps, the board may require that every such person shall execute to and file with the board a bond to be approved by the board, in such amount as the board may fix, securing the payment of the tax. If any such person fails to pay the tax when due, the board may forthwith suspend or cancel the license until all taxes are paid.

(2) An additional tax is imposed equal to the rate specified in RCW 82.02.030 multiplied by the tax payable under subsection (1) of this section. All revenues collected during any month from this additional tax shall be transferred to the state general fund by the twenty-fifth day of the following month.

(3) An additional tax is imposed on wines subject to tax under subsection (1) of this section, at the rate of one-fourth of one cent per liter for wine sold after June 30, 1987. Such additional tax shall cease to be imposed on July 1, 2001. All revenues collected under this subsection (3) shall be disbursed quarterly to the Washington wine commission for use in carrying out the purposes of chapter 15.88 RCW.

(4) ~~((Until July 1, 1995,))~~ An additional tax is imposed on all wine subject to tax under subsection (1) of this section. The additional tax is equal to twenty-three and forty-four one-hundredths cents per liter on fortified wine as defined in RCW 66.04.010(34) when bottled or packaged by the manufacturer and one cent per liter on all other wine. All revenues collected during any month from this additional tax shall be deposited in the violence reduction and drug enforcement ~~((and education))~~ account under RCW 69.50.520 by the twenty-fifth day of the following month.



COMPLETE TEXT OF Referendum Bill 43 (cont.)

Sec. 902. RCW 66.24.290 and 1993 c 492 s 311 are each amended to read as follows:

(1) Any brewer or beer wholesaler licensed under this title may sell and deliver beer to holders of authorized licenses direct, but to no other person, other than the board; and every such brewer or beer wholesaler shall report all sales to the board monthly, pursuant to the regulations, and shall pay to the board as an added tax for the privilege of manufacturing and selling the beer within the state a tax of two dollars and sixty cents per barrel of thirty-one gallons on sales to licensees within the state and on sales to licensees within the state of bottled and canned beer shall pay a tax computed in gallons at the rate of two dollars and sixty cents per barrel of thirty-one gallons. Any brewer or beer wholesaler whose applicable tax payment is not postmarked by the twentieth day following the month of sale will be assessed a penalty at the rate of two percent per month or fraction thereof. Each such brewer or wholesaler shall procure from the board revenue stamps representing such tax in form prescribed by the board and shall affix the same to the barrel or package in such manner and in such denominations as required by the board, and shall cancel the same prior to commencing delivery from his or her place of business or warehouse of such barrels or packages. Beer shall be sold by brewers and wholesalers in sealed barrels or packages. The revenue stamps provided under this section need not be affixed and canceled in the making of resales of barrels or packages already taxed by the affixation and cancellation of stamps as provided in this section.

(2) An additional tax is imposed equal to seven percent multiplied by the tax payable under subsection (1) of this section. All revenues collected during any month from this additional tax shall be transferred to the state general fund by the twenty-fifth day of the following month.

(3) ~~((Until July 1, 1995;))~~ An additional tax is imposed on all beer subject to tax under subsection (1) of this section. The additional tax is equal to two dollars per barrel of thirty-one gallons. All revenues collected during any month from this additional tax shall be deposited in the violence reduction and drug enforcement ~~((and education))~~ account under RCW 69.50.520 by the twenty-fifth day of the following month.

(4)(a) An additional tax is imposed on all beer subject to tax under subsection (1) of this section. The additional tax is equal to ninety-six cents per barrel of thirty-one gallons through June 30, 1995, two dollars and thirty-nine cents per barrel of thirty-one gallons for the period July 1, 1995, through June 30, 1997, and four dollars and seventy-eight cents per barrel of thirty-one gallons thereafter.

(b) The additional tax imposed under this subsection does not apply to the sale of the first sixty thousand barrels of beer

each year by breweries that are entitled to a reduced rate of tax under 26 U.S.C. Sec. 5051, as existing on July 1, 1993, or such subsequent date as may be provided by the board by rule consistent with the purposes of this exemption.

(c) All revenues collected from the additional tax imposed under this subsection (4) shall be deposited in the health services account under RCW 43.72.900.

(5) The tax imposed under this section shall not apply to "strong beer" as defined in this title.

Sec. 903. RCW 82.08.150 and 1993 c 492 s 310 are each amended to read as follows:

(1) There is levied and shall be collected a tax upon each retail sale of spirits, or strong beer in the original package at the rate of fifteen percent of the selling price. The tax imposed in this subsection shall apply to all such sales including sales by the Washington state liquor stores and agencies, but excluding sales to class H licensees.

(2) There is levied and shall be collected a tax upon each sale of spirits, or strong beer in the original package at the rate of ten percent of the selling price on sales by Washington state liquor stores and agencies to class H licensees.

(3) There is levied and shall be collected an additional tax upon each retail sale of spirits in the original package at the rate of one dollar and seventy-two cents per liter. The additional tax imposed in this subsection shall apply to all such sales including sales by Washington state liquor stores and agencies, and including sales to class H licensees.

(4) An additional tax is imposed equal to fourteen percent multiplied by the taxes payable under subsections (1), (2), and (3) of this section.

(5) ~~((Until July 1, 1995;))~~ An additional tax is imposed upon each retail sale of spirits in the original package at the rate of seven cents per liter. The additional tax imposed in this subsection shall apply to all such sales including sales by Washington state liquor stores and agencies, and including sales to class H licensees. All revenues collected during any month from this additional tax shall be deposited in the violence reduction and drug enforcement ~~((and education))~~ account under RCW 69.50.520 by the twenty-fifth day of the following month.

(6)(a) An additional tax is imposed upon retail sale of spirits in the original package at the rate of one and seven-tenths percent of the selling price through June 30, 1995, two and six-tenths percent of the selling price for the period July 1, 1995, through June 30, 1997, and three and four-tenths of the selling price thereafter. This additional tax applies to all such sales including sales by Washington state liquor stores and agencies, but excluding sales to class H licensees.

(b) An additional tax is imposed upon retail sale of spirits in the original package at the rate of one and one-tenth percent of the selling price through June 30, 1995, one and seven-tenths percent of the selling price for the period July 1, 1995, through June 30, 1997, and two and three-tenths of the selling price thereafter. This additional tax applies to all such



COMPLETE TEXT OF Referendum Bill 43 (cont.)

sales to class H licensees.

(c) An additional tax is imposed upon each retail sale of spirits in the original package at the rate of twenty cents per liter through June 30, 1995, thirty cents per liter for the period July 1, 1995, through June 30, 1997, and forty-one cents per liter thereafter. This additional tax applies to all such sales including sales by Washington state liquor stores and agencies, and including sales to class H licensees.

(d) All revenues collected during any month from additional taxes under this subsection shall be deposited in the health services account created under RCW 43.72.900 by the twenty-fifth day of the following month.

(7) The tax imposed in RCW 82.08.020 shall not apply to sales of spirits or strong beer in the original package.

(8) The taxes imposed in this section shall be paid by the buyer to the seller, and each seller shall collect from the buyer the full amount of the tax payable in respect to each taxable sale under this section. The taxes required by this section to be collected by the seller shall be stated separately from the selling price and for purposes of determining the tax due from the buyer to the seller, it shall be conclusively presumed that the selling price quoted in any price list does not include the taxes imposed by this section.

(9) As used in this section, the terms, "spirits," "strong beer," and "package" shall have the meaning ascribed to them in chapter 66.04 RCW.

Sec. 904. RCW 82.24.020 and 1993 c 492 s 307 are each amended to read as follows:

(1) There is levied and there shall be collected as provided in this chapter, a tax upon the sale, use, consumption, handling, possession or distribution of all cigarettes, in an amount equal to the rate of eleven and one-half mills per cigarette.

(2) ~~((Until July 1, 1995,))~~ An additional tax is imposed upon the sale, use, consumption, handling, possession, or distribution of all cigarettes, in an amount equal to the rate of ~~((one and one-half))~~ five and one-fourth mills per cigarette. All revenues collected during any month from this additional tax shall be deposited in the violence reduction and drug enforcement ~~((and education))~~ account under RCW 69.50.520 by the twenty-fifth day of the following month.

(3) An additional tax is imposed upon the sale, use, consumption, handling, possession, or distribution of all cigarettes, in an amount equal to the rate of ten mills per cigarette through June 30, 1994, eleven and one-fourth mills per cigarette for the period July 1, 1994, through June 30, 1995, twenty mills per cigarette for the period July 1, 1995, through June 30, 1996, and twenty and one-half mills per cigarette thereafter. All revenues collected during any month from this

additional tax shall be deposited in the health services account created under RCW 43.72.900 by the twenty-fifth day of the following month.

(4) Wholesalers and retailers subject to the payment of this tax may, if they wish, absorb one-half mill per cigarette of the tax and not pass it on to purchasers without being in violation of this section or any other act relating to the sale or taxation of cigarettes.

(5) For purposes of this chapter, "possession" shall mean both (a) physical possession by the purchaser and, (b) when cigarettes are being transported to or held for the purchaser, or his or her designee by a person other than the purchaser, constructive possession by the purchaser or his or her designee, which constructive possession shall be deemed to occur at the location of the cigarettes being so transported or held.

Sec. 905. RCW 82.64.010 and 1991 c 80 s 1 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Carbonated beverage" has its ordinary meaning and includes any nonalcoholic liquid intended for human consumption which contains carbon dioxide, whether carbonation is obtained by natural or artificial means.

(2) "Previously taxed ~~((carbonated beverage or))~~ syrup" means ~~((a carbonated beverage or))~~ syrup in respect to which a tax has been paid under this chapter. ~~((A "previously taxed carbonated beverage" includes carbonated beverages in respect to which a tax has been paid under this chapter on the carbonated beverage or on the syrup in the carbonated beverage.))~~

(3) "Syrup" means a concentrated liquid which is added to carbonated water to produce a carbonated beverage.

(4) Except for terms defined in this section, the definitions in chapters 82.04, 82.08, and 82.12 RCW apply to this chapter.

Sec. 906. RCW 82.64.020 and 1991 c 80 s 2 are each amended to read as follows:

(1) A tax is imposed on each sale at wholesale of ~~((a carbonated beverage or))~~ syrup in this state. The rate of the tax shall be equal to ~~((eighty-four one-thousandths of a cent per ounce for carbonated beverages and seventy-five cents))~~ one dollar per gallon ~~((for syrups))~~. Fractional amounts shall be taxed proportionally.

(2) A tax is imposed on each sale at retail of ~~((a carbonated beverage or))~~ syrup in this state. The rate of the tax shall be equal to the rate imposed under subsection (1) of this section.

(3) Moneys collected under this chapter shall be deposited in the violence reduction and drug enforcement ~~((and education))~~ account under RCW 69.50.520.

(4) Chapter 82.32 RCW applies to the taxes imposed in this chapter. The tax due dates, reporting periods, and return requirements applicable to chapter 82.04 RCW apply equally



COMPLETE TEXT OF Referendum Bill 43 (cont.)

to the taxes imposed in this chapter.

Sec. 907. RCW 82.64.030 and 1991 c 80 s 3 are each amended to read as follows:

The following are exempt from the taxes imposed in this chapter:

(1) Any successive sale of a previously taxed ((carbonated beverage or)) syrup.

(2) Any ((carbonated beverage or)) syrup that is transferred to a point outside the state for use outside the state. The department shall provide by rule appropriate procedures and exemption certificates for the administration of this exemption.

(3) Any sale at wholesale of a trademarked ((carbonated beverage or)) syrup by any person to a person commonly known as a bottler who is appointed by the owner of the trademark to manufacture, distribute, and sell such trademarked ((carbonated beverage or)) syrup within a specified geographic territory.

(4) Any sale of ((carbonated beverage or)) syrup in respect to which a tax on the privilege of possession was paid under this chapter before June 1, 1991.

Sec. 908. RCW 82.64.040 and 1991 c 80 s 7 are each amended to read as follows:

(1) Credit shall be allowed, in accordance with rules of the department, against the taxes imposed in this chapter for any ((carbonated beverage or)) syrup tax paid to another state with respect to the same ((carbonated beverage or)) syrup. The amount of the credit shall not exceed the tax liability arising under this chapter with respect to that ((carbonated

beverage or)) syrup.

(2) For the purpose of this section:

(a) ((Carbonated beverage or)) Syrup tax" means a tax:

(i) That is imposed on the sale at wholesale of ((carbonated beverages or)) syrup and that is not generally imposed on other activities or privileges; and

(ii) That is measured by the volume of the ((carbonated beverage or)) syrup.

(b) "State" means (i) a state of the United States other than Washington, or any political subdivision of such other state, (ii) the District of Columbia, and (iii) any foreign country or political subdivision thereof.

NEW SECTION. Sec. 909. The following acts or parts of acts are each repealed:

(1) RCW 82.64.060 and 1991 c 80 s 5; and

(2) RCW 82.64.900 and 1989 c 271 s 509.

NEW SECTION. Sec. 911. Sections 901 through 909 of this act shall be submitted as a single ballot measure 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 Article II, section 1 of the state Constitution, as amended, and the laws adopted to facilitate the operation thereof unless section 13, chapter 2, Laws of 1994, has been declared invalid or otherwise enjoined or stayed by a court of competent jurisdiction.

NEW SECTION. Sec. 912. Sections 905 through 908 of this act shall not be construed as affecting any existing right acquired or liability or obligation incurred, nor as affecting any proceeding instituted under those sections, before the effective date of sections 905 through 908 of this act.

NEW SECTION. Sec. 915. (2) Sections 904 through 908 of this act shall take effect July 1, 1995.

PROJECT VOTE SMART

Additional information about candidates for federal office is available free to Washington voters from Project Vote Smart, a national, non-partisan program started in 1992. This includes information about voting records, campaign finances, past and current position statements and performance evaluations. Voters can telephone Project Vote Smart at 1-800-622-7627.