



# INITIATIVE MEASURE 747

## PROPOSED TO THE PEOPLE

Note: The ballot title and explanatory statement were written by the Attorney General as required by law. The complete text of Initiative Measure 747 begins on page 14.

### Argument For

#### **WASHINGTON'S THE 5TH HIGHEST TAXED STATE IN THE NATION – TAXPAYERS NEED AND DESERVE MEANINGFUL RELIEF**

We're 5th. That means 45 other states provide education, transportation, criminal justice, and other government services at a lower level of taxation than Washington does. Taxpayers desperately need and deserve meaningful tax relief.

Consider property taxes. For decades, numerous taxing districts have increased property taxes 6% per year. That means state government has jacked them up, counties, cities, fire districts, library districts, special districts, and ports have all dramatically jacked them up. Property taxes are skyrocketing in Washington. Currently, property taxes double every 7 to 9 years. We need I-747 to defuse Washington's "property tax time bomb" so working class families and senior citizens, and not just rich people, can afford to buy and own homes.

#### **I-747 LIMITS PROPERTY TAX COLLECTIONS FOR EACH TAXING DISTRICT – OUR COURTS HAVE OK'D THIS APPROACH**

Numerous efforts have been made to limit property tax increases but they've either been struck down by courts or contained huge loopholes. I-747 carefully follows recent court rulings and closes previous loopholes. 1% ought to be enough for *any* taxing district (and if it's not, I-747 allows voter approval for higher increases).

#### **WE KNEW I-747 WOULD BE ATTACKED, SO WE PURPOSELY MADE I-747 A VERY MODERATE PROPOSAL**

I-747 doesn't slash property taxes, it simply limits property tax increases. So, concerning "lost revenue," politicians simply can't complain – I-747 doesn't take away any more money from government than they had in 2000.

## Official Ballot Title:

Initiative Measure No. 747 concerns limiting property tax increases. This measure would require state and local governments to limit property tax levy increases to 1% per year, unless an increase greater than this limit is approved by the voters at an election.

Should this measure be enacted into law?

Yes [ ] No [ ]

## The law as it presently exists:

Property taxes are levied each year by the state and by local governments on all taxable property in the state. Property taxes are based on the value of the property. Taxable property is assessed each year and valued at its true and fair value. The tax

#### **FAMILY BUDGETS ARE UNDER ASSAULT – TAXES, HEALTH CARE, ENERGY, HOUSING, TRANSPORTATION, RENT – THEY'RE ALL SKYROCKETING**

Politicians must learn that family budgets desperately need meaningful tax relief. And I-747 takes an incredibly modest approach: limiting property tax increases. Without I-747, soon only rich people will be able to afford homes. Vote "Yes" and tell politicians to stop ignoring taxpayers – after all, we're paying the bills.

For more information, call 425.493.8707 or visit website: [www.i-747.com](http://www.i-747.com).

## Rebuttal of Argument Against

Washington is the 5th highest taxed state. Property taxes are skyrocketing. I-747 offers moderate, reasonable limits on property tax increases. Politicians offer no alternative – their response to taxpayers is "tough it out." I-747 ensures long-overdue accountability by requiring politicians to prioritize and effectively utilize existing revenues. With I-747, tax increases will be a last resort. Besides, 1% ought to be enough for *any* taxing district (and remember, voters can OK higher increases). Please vote "Yes."

## Voters Pamphlet Argument Prepared by:

TIM EYMAN, proud of our volunteers who got I-747 signatures; MONTE BENHAM, co-sponsor, "I'm confident politicians will adjust to I-747"; JACK FAGAN, co-sponsor, "Taxpayers get an equal voice with I-747"; MIKE FAGAN, co-sponsor, "Property taxes are out-of-control – please vote Yes"; MARTIN VAN BUREN, retired, got 1525 volunteer signatures, lives in Lynden; DIANE AUBREY, sold home because of property tax increases, Richland.



levied in a given year on a piece of property depends on its taxable value and on the amount of tax levied that year by the state and by local governments with taxing power.

Existing law limits property tax in several ways. First, both the state constitution and state statutes limit the aggregate of all state and local tax levies on any piece of property, generally to a total of 1% of the property's true and fair value. This limitation does not apply to voter-approved levies.

Second, existing law also limits the amount each taxing district may increase its regular tax levy over the overall amount levied and collected in previous years. Under this "limitation factor," regular property taxes levied by a taxing district generally may not exceed the lower of 106% or 100% plus inflation, multiplied by the amount collected in the highest of the three most recent years. In other words, a taxing district may increase its levy by no more than the lower of (a) the previous year's inflation rate or (b) 6%, over the highest levy of the three previous years.

There are some special rules regarding the application of this limitation factor to specific types of taxing districts. Taxing districts with fewer than 10,000 residents are limited by the 106% limitation, and not the inflation factor. Other taxing districts, except the state, may increase their levies up to the 106% level if they follow special procedures and find a substantial need. The state prop-

erty tax levy increases each year by the lower of 106% or the inflation rate. These limitations on tax increases do not apply to increases in property value attributable to new construction.

Local taxing districts that have not levied the full amounts legally available in prior years may levy the amount that would be allowed under the "limitation factor" if the district had levied the full allowable amounts. RCW 84.55.092 provides that the purpose of this section is to remove the incentive for a taxing district to maintain its tax levy at the maximum level in order to protect future levy capacity. This provision does not apply to the state.

In November 2000, the people approved Initiative Measure No. 722, which would change the property tax laws in several ways. Initiative 722 would add new property tax exemptions relating to increases in property value and to certain maintenance improvements. Initiative 722 would also change the 106% limit factor to 102% for all taxing districts, and would repeal RCW 84.55.092. After Initiative 722 was approved, lawsuits were brought challenging its constitutionality on several different grounds. The Superior Court declared Initiative 722 unconstitutional and enjoined its implementation. This decision has been appealed, and is awaiting the decision of the State Supreme Court. Because of the court orders, Initiative Measure 722 is not currently in force.

(continued on page 14)

## Argument Against

### FIREFIGHTERS, NURSES, LIBRARIANS AND COMMUNITY LEADERS URGE A NO VOTE ON I-747

Initiative 747 will restrict funds we invest *directly* in local services like fire protection, public hospitals, libraries—even transportation.

### I-747 THREATENS BASIC LOCAL SERVICES— SERVICES WE RELY ON IN OUR NEIGHBORHOODS

Because I-747 doesn't allow critical services like fire and emergency medical districts, public hospitals, and road crews to keep pace with inflation and growth, severe cuts may be impossible to avoid.

For example, Woodinville's Fire and Life Safety District needs additional firefighters and a ladder truck to serve a growing population. Since I-747 cuts funds that come directly from residents to the fire district, critical fire protection is threatened.

Facing similar shortfalls, I-747 will limit the ability of local fire departments and hospitals across the state from planning for the future, or even for emergencies—like the Nisqually earthquake or the devastating 2001 fire season.

### I-747 HURTS ALL OF US: REAL EXAMPLES FROM REAL PEOPLE ACROSS WASHINGTON

"King and Snohomish County residents are sick of gridlock. I-747 means intersection and county highway improvements won't get made," says Snohomish County road crew worker Roger Moller.

Klickitat County Fire Commissioner Miland Walling is concerned that "we will be unable to purchase safety equipment for rural firefighters."

Pierce County library employee Patti Cox says a three-year loss of \$1.5 million means "we will have to shorten library hours and cut services like children's reading hours."

Yakima County Prosecutor Jeff Sullivan invites "anyone to come look over the budget and suggest which felony crimes I shouldn't prosecute."

### WE DESERVE MORE FIRE, PUBLIC SAFETY, AND LIBRARY SERVICE, NOT LESS; WE DON'T NEED I-747

I-747 will cut directly from funds that stay in our community for services we support. Our neighbors across Washington agree: our communities cannot afford I-747.

For more information, call 206.447.0888 or visit website: [www.voteno747.org](http://www.voteno747.org).

## Rebuttal of Argument For

- Washington isn't the "5<sup>th</sup> highest taxed state." Our taxes are lower than many similar states.
- It's inefficient to vote for services we already support: \$2 million pays for an election in King County or two complete fire stations—staff and equipment—for a full year.
- Tim Eyman says he is "proud of our volunteers" without mentioning the \$529,000 he paid for signatures and to his for-profit initiative business. ([www.pdc.wa.gov](http://www.pdc.wa.gov))  
Vote No on I-747.

### Voters Pamphlet Argument Prepared by:

KELLY FOX, Washington State Council of Fire Fighters; LOUISE KAPLAN, PhD, ARNP, Washington State Nurses Association; CAROL GILL SCHUYLER, President, Washington Library Association; JEFF SULLIVAN, Yakima County Prosecutor, (GOP); BOB DREWEL, Snohomish County Executive, (Dem).





## INITIATIVE MEASURE 747 (continued from page 5)

### The effect of the proposed measure, if it becomes law:

The measure would change all of the limitation factors on property tax levy increases to "101%." For taxing districts with populations less than 10,000, the new limitation factor would be 101% of the highest of the three previous annual levies. For the state, the new limitation factor would be the lower of 101% or the previous year's inflation rate. For other taxing districts, the limitation factor would be the lower of these two numbers, but if the inflation rate is less than 1%, the district could increase its levy to the 101% level using the same special procedure and declaration of special need as in existing law.

A taxing district could levy higher amounts with approval of the voters at a general election held in the district or at a special election called for that purpose. The election must be held less than twelve months before the date on which the proposed levy will be made. A majority of those voting would be required for approval.



## INITIATIVE MEASURE 773 (continued from page 7)

### The effect of the proposed measure, if it becomes law (continued):

products (not including cigarettes), in the amount of 54.515625% of the wholesale sales price.

The revenue from the two new taxes would be first deposited in the health services account. To assure a continued source of revenue for those programs funded with the existing taxes, the measure would provide that specified amounts first be transferred to the violence reduction and drug enforcement account, the water quality account, and the existing health services account, with the remainder available for expenditure for the measure's new purposes.

Revenues collected above these specified amounts would be distributed as follows. First, the Legislature is requested to appropriate \$5 million each for the fiscal years beginning on July 1, 2002, and July 1, 2003, for programs that effectively improve the health of low-income persons, including efforts to reduce diseases and illnesses that harm low-income persons. Second, the state treasurer is directed to transfer 10% of the remainder to the tobacco prevention and control account, to be appropriated and used exclusively for implementation of the state tobacco prevention and control plan. Third, the remainder of the money collected is designated for Washington Basic Health Plan enrollment. The Basic Health Plan is authorized to enroll 20,000 additional persons (over a base of 125,000) in the two-year budget period beginning July 1, 2001, plus an additional 50,000 enrollees in the two-year budget period beginning July 1, 2003.



## INITIATIVE MEASURE 775 (continued from page 9)

### The effect of the proposed measure, if it becomes law (continued):

meeting qualifications or for crimes or misconduct; and give preference in recruiting, training, referral and employment to recipients of public assistance or other qualified low-income persons.

Those persons receiving services would retain the right to choose, hire, supervise, and terminate individual providers. The Authority could not increase or decrease the hours of service for any consumer below or above the amount determined appropriate by DSHS or the appropriate local agency.

Solely for purposes of the collective bargaining laws, the Authority would be deemed the public employer of the individual providers. The Authority would engage in collective bargaining with the individual providers as a single, statewide unit concerning matters, such as individual provider compensation. Individual providers would not have the right to strike. The Authority, its board members, the area agencies on aging, and their contractors would be entirely or partially immune from certain types of liability for the actions or inaction of individual providers.

The Governor would be directed to request legislative funding to implement the Initiative, as well as meet the terms of each collective bargaining agreement. The Legislature could accept a collective bargaining agreement or reject it and require re-negotiation. The Joint Legislative Audit and Review Committee would be directed to conduct periodic performance reviews of the Authority.



## COMPLETE TEXT OF Initiative Measure 747

AN ACT Relating to limiting property tax increases; amending RCW 84.55.005 and 84.55.0101; and creating new sections.

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

### POLICIES AND PURPOSES

**NEW SECTION. Sec. 1.** This measure would limit property tax increases to 1% per year unless approved by the voters. Politicians have repeatedly failed to limit skyrocketing property taxes either by reducing property taxes or by limiting property tax increases in any meaningful way. Throughout Washington every year, taxing authorities regularly increase property taxes to the maximum limit factor of 106% while also receiving additional property tax revenue

from new construction, improvements, increases in the value of state-assessed property, excess levies approved by the voters, and tax revenues generated from real estate excise taxes when property is sold. Property taxes are increasing so rapidly that working class families and senior citizens are being taxed out of their homes and making it nearly impossible for first-time home buyers to afford a home. The Washington state Constitution limits property taxes to 1% per year; this measure matches this principle by limiting property tax increases to 1% per year.

### LIMITING PROPERTY TAX INCREASES TO 1% PER YEAR UNLESS APPROVED BY THE VOTERS

**Sec. 2.** RCW 84.55.005 and 2001 c 2 s 5 (Initiative Measure No. 722) are each amended to read as follows:

As used in this chapter:

(1) "Inflation" means the percentage change in the implicit price deflator for personal consumption expenditures for the United States as published for the most recent twelve-month period by the bureau of economic analysis of the





## COMPLETE TEXT OF Initiative Measure 747

federal department of commerce in September of the year before the taxes are payable;

(2) "Limit factor" means:

(a) For taxing districts with a population of less than ten thousand in the calendar year prior to the assessment year, one hundred (~~two~~) one percent;

(b) For taxing districts for which a limit factor is authorized under RCW 84.55.0101, the lesser of one hundred under that section or one hundred (~~two~~) one percent;

(c) For all other districts, the lesser of one hundred (~~two~~) one percent or one hundred percent plus inflation; and

(3) "Regular property taxes" has the meaning given it in RCW 84.04.140.

**Sec. 3.** RCW 84.55.0101 and 2001 c 2 s 6 (Initiative Measure No. 722) are each amended to read as follows:

Upon a finding of substantial need, the legislative authority of a taxing district other than the state may provide for the use of a limit factor under this chapter of one hundred (~~two~~) one percent or less unless an increase greater than this limit is approved by the voters at an election as provided in RCW 84.55.050. In districts with legislative authorities of four members or less, two-thirds of the members must approve an ordinance or resolution under this section. In districts with more than four members, a majority plus one vote must approve an ordinance or resolution under this section. The new limit factor shall be effective for taxes collected in the following year only.

### CONSTRUCTION CLAUSE

**NEW SECTION. Sec. 4.** The provisions of this act are to be liberally construed to effectuate the policies and purposes of this act.

### SEVERABILITY CLAUSE

**NEW SECTION. Sec. 5.** 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.

### LEGISLATIVE INTENT

**NEW SECTION. Sec. 6.** The people have clearly expressed their desire to limit taxes through the overwhelming passage of numerous initiatives and referendums. However, politicians throughout the state of Washington continue to ignore the mandate of these measures.

Politicians are reminded:

(1) All political power is vested in the people, as stated in Article I, section 1 of the Washington state Constitution.

(2) The first power reserved by the people is the initiative, as stated in Article II, section 1 of the Washington state Constitution.

(3) Politicians are an employee of the people, not their boss.

(4) Any property tax increase which violates the clear intent of this measure undermines the trust of the people in their government and will increase the likelihood of future tax limitation measures.



## COMPLETE TEXT OF Initiative Measure 773

AN ACT Relating to improving the health of low-income persons; amending RCW 43.72.900; adding a new section to chapter 70.47 RCW; adding a new section to chapter 82.24 RCW; and adding a new section to chapter 82.26 RCW.

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

**NEW SECTION. Sec. 1.** A new section is added to chapter 70.47 RCW to read as follows:

It is the intent of the people to improve the health of low-income children and adults by expanding access to basic health care and by reducing tobacco-related and other diseases and illnesses that disproportionately affect low-income persons.

**Sec. 2.** RCW 43.72.900 and 1993 c 492 s 469 are each amended to read as follows:

(1) The health services account is created in the state treasury. Moneys in the account may be spent only after appropriation. Subject to the transfers described in subsection (3) of this section, moneys in the account may be expended only for maintaining and expanding health services access for low-income residents, maintaining and expanding the public health system, maintaining and improving the capacity of the health care system, containing health care costs, and the regulation, planning, and administering of the health care system.

(2) Funds deposited into the health services account under sections 3 and 4 of this act shall be used solely as follows:

(a) Five million dollars for the state fiscal year beginning July 1, 2002, and five million dollars for the state fiscal year beginning July 1, 2003, shall be appropriated by the legislature for programs that effectively improve the health of low-income persons, including efforts to reduce diseases and illnesses that harm low-income persons. The department of health shall submit a report to the legislature on March 1, 2002, evaluating the cost-effectiveness of programs that improve the health of low-income persons and address diseases and illnesses that disproportionately affect low-income persons, and making recommendations to the legislature on which of these programs could most effectively utilize the funds appropriated under this subsection.

(b) Ten percent of the funds deposited into the health services account under sections 3 and 4 of this act remaining after the appropriation under (a) of this subsection shall be transferred no less frequently than annually by the treasurer to the tobacco prevention and control account established by RCW 43.79.480. The funds transferred shall be used exclusively for implementation of the Washington state tobacco prevention and control plan and shall be used only to supplement, and not supplant, funds in the tobacco prevention and control account as of January 1, 2001, however, these funds may be used to replace funds appropriated by the legislature for further implementation of the Washington state tobacco prevention and control plan for the biennium beginning July 1, 2001. For each state fiscal year beginning on and after July 1, 2002, the legislature shall appropriate no less than twenty-six million two hundred forty thousand dollars from the tobacco prevention and control account for implementation of the Washington state tobacco prevention and control plan.

(c) Because of its demonstrated effectiveness in improving the health of low-income persons and addressing illnesses and diseases that harm low-income persons, the remainder of the funds deposited into the health services account under sections 3 and 4