



INITIATIVE MEASURE 773

PROPOSED TO THE PEOPLE

Note: The ballot title was written by the court. The explanatory statement was written by the Attorney General as required by law. The complete text of Initiative Measure 773 begins on page 15.

Argument For

People you know and trust are voting “yes” on I-773. Why?

Because they know I-773 will *improve the health* of low-income working adults and their children by expanding access to the Basic Health Plan and *protect kids from tobacco* by fully funding programs to prevent kids from smoking.

THE WASHINGTON STATE NURSES ASSOCIATION AND THE WASHINGTON ACADEMY OF FAMILY PHYSICIANS SAY “VOTE YES ON I-773”

Over 750,000 people in our state are uninsured; 70% of them are from working families. I-773 will expand access to no-frills health care so that working families can make ends meet in today’s economy.

THE AMERICAN CANCER SOCIETY AND THE WASHINGTON STATE PTA SAY “VOTE YES ON I-773”

Did you know 65 kids in Washington start smoking every day? We’ve seen alarming increases in tobacco use by kids in Washington – 29% of our high school seniors are smokers. I-773 will mean fewer kids start smoking.

THE AMERICAN LUNG ASSOCIATION AND AMERICAN HEART ASSOCIATION SAY “VOTE YES ON I-773”

Tobacco kills over 8,000 Washingtonians a year and costs \$1.3 billion in health care for tobacco-related illnesses. By raising the sales tax on tobacco 60¢ per pack, I-773 will provide health care for working families and reduce smoking, creating stronger and healthier children, schools and workplaces.

By voting *Yes on I-773* we can increase health coverage and reduce the incidence of illnesses like heart disease

Official Ballot Title:

Initiative Measure No. 773 concerns additional tobacco taxes for low-income health programs and other programs. This measure would impose an additional sales tax on cigarettes and a surtax on wholesaled tobacco products. The proceeds would be earmarked for existing programs and expanded health care services for low-income persons.

Should this measure be enacted into law?

Yes [] No []

and lung cancer that hit low-income people the hardest.

I-773: FOR KIDS, FOR WORKING FAMILIES, FOR A HEALTHIER WASHINGTON

Warning! Huge out-of-state tobacco corporations will spend millions trying to defeat I-773. They know if you approve I-773 they’ll sell fewer cigarettes to our children. Their adult customers are dying or quitting, so “Big Tobacco” needs kids to start smoking.

To see sources and learn more, please visit www.i773.org. Please join us in voting “Yes on I-773.” Thank you.

Rebuttal of Argument Against

Who do you trust to tell the truth about health and kids?

The American Cancer Society, Heart Association, Lung Association, Doctors, Nurses and the PTA *support* I-773. Philip Morris *opposes* it.

Tobacco corporations will say anything to protect *their* profits at the expense of *our* children.

Don’t be fooled.

I-773 expands health care coverage for low-income working families. It reduces tobacco use, especially among kids. I-773 protects kids from tobacco and increases access to no-frills health care.

Voters Pamphlet Argument Prepared by:

ROBERT A. CRITTENDEN, MD, MPH, President, Washington Academy of Family Physicians; LOUISE KAPLAN, PhD, MN, ARNP, President, Washington State Nurses Association; ANN MARIE POMERINKE, Chief Executive Officer, American Cancer Society, Northwest Division; SANDRA HIJIKATA, Executive Vice-President, American Heart Association, Northwest Affiliate; ASTRID BERG, Executive Director, American Lung Association of Washington; JOHN STOKES, Legislative Director, Washington State PTA.

The law as it presently exists:

Under existing law, cigarettes and other tobacco products are taxed in a number of ways to support various programs.

Four taxes are levied on the sale, use, consumption, handling, possession or distribution of cigarettes. The total of the four taxes is 41.25 mills (4.125 cents) per cigarette. This amounts to 82.5 cents per pack of twenty cigarettes.

The first tax is 11.5 mills (1.15 cents) per cigarette. Revenues from this tax are used for general governmental purposes. The second tax is 5.25 mills (.525 cents) per cigarette. Revenues from this tax are placed in the violence reduction and drug enforcement account, and used for prevention programs and law enforcement. The third tax is 20.5 mills (2.05 cents) per cigarette. Revenues from this tax are placed in the health services account, and used for health care and public health programs, including health services access for low-income residents. The fourth tax is 4 mills (0.4 cents) per cigarette. Revenues from this tax are placed in the water quality account and used for water pollution programs.

There are also four taxes levied on all tobacco products other than cigarettes. These taxes on the sale, use, consumption, handling, or distribution of tobacco products other than ciga-

rettes total 74.9% of the wholesale sales price of these products.

The first two of these taxes amount to 48.15% of the wholesale sales price of the tobacco products. Revenues from these taxes are placed in the state general fund for general governmental purposes. The third tax is 10% of the wholesale sales price. Revenues from this tax are placed in the health services account and used for health care and public health programs. The fourth tax is 16.75% of the wholesale sales price of tobacco products. Revenues from this tax are deposited in the water quality account and used for water pollution programs.

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

This measure would add two additional taxes to the existing sales taxes on cigarettes and tobacco products. Revenues from these taxes would be earmarked to continue existing programs and expand health care services for low-income persons.

An additional tax would be imposed on the sale, use, consumption, handling, possession, or distribution of cigarettes, in the amount of 30 mills (3.0 cents) per cigarette. An additional tax would be imposed on the wholesale sales price of tobacco

(continued on page 14)

Argument Against

IT'S ABOUT RAISING TAXES — NOT BETTER HEALTH CARE FOR WORKING FAMILIES

Initiative 773 is a dismal failure when it comes to improving health care for working families. It drastically raises consumer taxes that will first cover a host of existing government programs totally unrelated to the Basic Health Plan—before the Basic Health Plan or tobacco prevention receive one penny in additional funding. It's an unreliable, risky scheme that could have disastrous consequences for all taxpayers.

THERE IS NO REQUIREMENT FOR IMPROVED PATIENT CARE, MORE DOCTORS OR SERVICES

According to the Washington Health Care Authority, some health plans doing business with the state no longer offer services in rural areas. I-773 does nothing to assure coverage in areas currently served, nor to re-establish needed coverage in rural areas.

I-773 EXPANDS THE BASIC HEALTH PLAN WITHOUT A RELIABLE WAY TO FUND IT

The initiative assumes that the taxes it raises will cause revenues for other state programs to decline. That's why it requires these new taxes to cover such shortfalls first. Still, it allows for continuous expansion of the Basic Health Plan, creating a huge potential liability for state taxpayers in the future.

I-773 ENDANGERS VITAL STATE PROGRAMS INCLUDING K-12 EDUCATION

I-773 is a poorly drafted measure that hamstring future state budgets. Without the flexibility to meet changing needs with limited resources, critical programs like K-12 Education, Higher Education and Environmental Protection will suffer unless general taxes are increased!

VOTE NO ON INCREASED SPENDING WITHOUT ACCOUNTABILITY

I-773 throws hundreds of millions of dollars into premiums for health care coverage without any fundamental auditing requirements. Washington has \$300 million in tobacco settlement payments available this biennium alone. Let's use these funds first and improve management of the health plan before raising additional taxes on consumers.

Rebuttal of Argument For

Follow the Money! Who *really* profits from I-773? The big HMOs who will pocket hundreds of millions of consumer tax dollars for more premiums. But they won't have to provide more doctors or improve the quality of medical treatment. They spent \$789,000 just to get on the ballot, and they'll spend millions more to get voters to go along with this special interest money grab. Cut through their smokescreen, and just say "no" to I-773!

Voters Pamphlet Argument Prepared by:

TOM HUFF, former Republican Chair, House Appropriations Committee; VALORIA LOVELAND, former Democratic Senate Ways & Means Committee; ANGELA DUNCAN, board member, Washington Association Neighborhood Stores; WAYNE CHOE, Korean American Grocers Association; JOHN & PAM ZYCH, owners, Le Bon Vie/Washington.



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



COMPLETE TEXT OF Initiative Measure 773 (cont.)

of this act shall be appropriated solely for Washington basic health plan enrollment as provided in chapter 70.47 RCW. Funds appropriated pursuant to this subsection (2)(c) must supplement, and not supplant, the level of state funding needed to support enrollment of a minimum of one hundred twenty-five thousand persons for the fiscal year beginning July 1, 2002, and every fiscal year thereafter. The health care authority may enroll up to twenty thousand additional persons in the basic health plan during the biennium beginning July 1, 2001, above the base level of one hundred twenty-five thousand enrollees. The health care authority may enroll up to fifty thousand additional persons in the basic health plan during the biennium beginning July 1, 2003, above the base level of one hundred twenty-five thousand enrollees. For each biennium beginning on and after July 1, 2005, the health care authority may enroll up to at least one hundred seventy-five thousand enrollees. Funds appropriated under this subsection may be used to support outreach and enrollment activities only to the extent necessary to achieve the enrollment goals described in this section.

(3) Prior to expenditure for the purposes described in subsection (2) of this section, funds deposited into the health services account under sections 3 and 4 of this act shall first be transferred to the following accounts to ensure the continued availability of previously dedicated revenues for certain existing programs:

(a) To the violence reduction and drug enforcement account under RCW 69.50.520, two million two hundred forty-nine thousand five hundred dollars for the state fiscal year beginning July 1, 2001, four million two hundred forty-eight thousand dollars for the state fiscal year beginning July 1, 2002, seven million seven hundred eighty-nine thousand dollars for the biennium beginning July 1, 2003, six million nine hundred thirty-two thousand dollars for the biennium beginning July 1, 2005, and six million nine hundred thirty-two thousand dollars for each biennium thereafter, as required by RCW 82.24.020(2);

(b) To the health services account under this section, nine million seventy-seven thousand dollars for the state fiscal year beginning July 1, 2001, seventeen million one hundred eighty-eight thousand dollars for the state fiscal year beginning July 1, 2002, thirty-one million seven hundred fifty-five thousand dollars for the biennium beginning July 1, 2003, twenty-eight million six hundred twenty-two thousand dollars for the biennium beginning July 1, 2005, and twenty-eight million six hundred twenty-two thousand dollars for each biennium thereafter, as required by RCW 82.24.020(3); and

(c) To the water quality account under RCW 70.146.030, two million two hundred three thousand five hundred dollars for the state fiscal year beginning July 1, 2001, four million two hundred forty-four thousand dollars for the state fiscal year beginning July 1, 2002, eight million one hundred eighty-two thousand dollars for the biennium beginning July 1, 2003, seven million eight hundred eighty-five thousand dollars for the biennium beginning July 1, 2005, and seven million eight hundred eighty-five thousand dollars for each biennium thereafter, as required by RCW 82.24.027(2)(a).

NEW SECTION. Sec. 3. A new section is added to chapter 82.24 RCW to read as follows:

In addition to the tax imposed upon the sale, use, consumption, handling, possession, or distribution of cigarettes set forth in RCW 82.24.020, there is imposed a tax in an amount equal to the rate of thirty mills per cigarette effective January 1, 2002. 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.

NEW SECTION. Sec. 4. A new section is added to chapter 82.26 RCW to read as follows:

In addition to the taxes imposed upon the wholesale sales price of tobacco products set forth in RCW 82.26.020 and 82.26.025, a surtax is imposed equal to ninety-three and three-quarters percent of taxes levied under RCW 82.26.020, effective January 1, 2002. The surtax payable under this subsection shall be deposited in the health services account created under RCW 43.72.900 for the purposes set forth in that section.



COMPLETE TEXT OF Initiative Measure 775

AN ACT Relating to regulating and improving long-term in-home care services; amending RCW 74.39A.030 and 74.39A.095; adding new sections to chapter 74.39A RCW; adding a new section to chapter 41.56 RCW; adding a new section to chapter 70.127 RCW; adding a new section to chapter 74.09 RCW; and creating a new section.

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

NEW SECTION. Sec. 1. FINDINGS. The people of the state of Washington find as follows:

(1) Thousands of Washington seniors and persons with disabilities live independently in their own homes, which they prefer and is less costly than institutional care such as nursing homes.

(2) Many Washington seniors and persons with disabilities currently receive long-term in-home care services from individual providers hired directly by them under the medicaid personal care, community options programs entry system, or chore services program.

(3) Quality long-term in-home care services allow Washington seniors, persons with disabilities, and their families the choice of allowing seniors and persons with disabilities to remain in their homes, rather than forcing them into institutional care such as nursing homes. Long-term in-home care services are also less costly, saving Washington taxpayers significant amounts through lower reimbursement rates.

(4) The quality of long-term in-home care services in Washington would benefit from improved regulation, higher standards, better accountability, and improved access to such services. The quality of long-term in-home care services would further be improved by a well-trained, stable individual provider work force earning reasonable wages and benefits.

(5) Washington seniors and persons with disabilities would benefit from the establishment of an authority that has the power and duty to regulate and improve the quality of long-term in-home care services.

(6) The authority should ensure that the quality of long-term in-home care services provided by individual providers is improved through better regulation, higher standards, increased accountability, and the enhanced ability to obtain services. The authority should also encourage stability in the individual provider work force through collective bargaining and by providing training opportunities.

NEW SECTION. Sec. 2. AUTHORITY CREATED. (1) The home care quality authority is established to regulate and improve the quality of long-term in-home care services by recruiting, training, and stabilizing the work force of individual providers.