



INITIATIVE MEASURE 776

PROPOSED TO THE PEOPLE

Note: The ballot title and explanatory statement were written by the Attorney General as required by law. The Fiscal Impact Statement for Initiative Measure 776 is on page 22 and the complete text begins on page 24.

Official Ballot Title:

Initiative Measure No. 776 concerns state and local government charges on motor vehicles. This measure would require license tab fees to be \$30 per year for motor vehicles, including light trucks. Certain local-option vehicle excise taxes and fees used for roads and transit would be repealed.

Should this measure be enacted into law?

Yes [] No []

Statement For

IF POLITICIANS HAD ONE OUNCE OF COMPASSION FOR THE AVERAGE TAXPAYER, I-776 WOULDN'T BE NECESSARY

Washington is the 2nd highest taxed state in the nation (www.taxfoundation.org) — I-776 keeps us from hitting #1. I-776 offers \$30 tabs on your car, truck, motorcycle, motorhome, and other vehicles. Working class folks, not just rich people, should be able to afford a newer vehicle. \$30 is reasonable.

WHEN POLITICAL JUDGES VETOED VOTER-APPROVED I-695, POLITICIANS FRANTICALLY EMBRACED \$30 TABS DURING THAT ELECTION YEAR

Gary Locke said, "Despite the court's ruling, we have no intention of returning to the old system of high license tab fees. \$30 license tabs are here to stay." I-776 helps politicians keep their promises. Passing I-776 also sends politicians a message: get voter approval before increasing taxes and fees, especially regarding transportation. Leadership involves listening. Taxpayers want their voices heard. With voter approval, politicians must convince us current revenues are being spent as effectively as possible before we *ok* more — that's accountability.

I-776 ENSURES LONG-OVERDUE REVOTE ON LIGHT RAIL — 68% OF KING COUNTY VOTERS WANT A REVOTE

By requiring "\$30 Tabs for Everyone," I-776 brings accountability to light rail by ensuring a long-overdue revote. I-776 repeals car taxes which provide 20% of their funding, ensuring a revote on light rail. Light rail today is radically different than what was promised in 1996. So we're entitled to a revote. Once I-776 passes, taxpayers want a stand-alone tax increase proposal (*not* hidden in the regional package) put before Puget Sound voters to decide on light rail.

WASHINGTON IS THE 2ND HIGHEST TAXED STATE IN THE NATION, SO THE PROBLEM ISN'T LACK-OF-TAXES

Voters have been clear: \$30 tabs and voter approval for tax and fee increases. I-776 sends that message again. Anything but an overwhelming "Yes" for I-776 will be seen by politicians as an endorsement of higher taxes. I-776 helps everyone — vote "Yes."

Address: "\$30 Tabs for Everyone" I-776, PO Box 6131, Kennewick, WA 99336 Contact phone: 425.493.8707 Website: www.i-776.com.

I-776 co-sponsors: Monte Benham, Jack Fagan, Mike Fagan, Tim Eyman.

Rebuttal of Statement Against

Washington ranks 2nd in overall taxation. Our opponents' response? Threats, lies, and scare tactics. Voters are too smart for that. Voters want \$30 tabs for everyone. Voters want a revote on light rail. The only way we'll get these policies is by approving I-776. Let's not go back to outrageously expensive tab fees. Let's ensure accountability by ensuring a revote on light rail. Politicians will *never* limit excessive taxation — send a message by voting "Yes."

Voters Pamphlet Argument Prepared by:

MONTE BENHAM, retired engineer, Kennewick; JACK FAGAN, retired policeman / Navy, Spokane; MIKE FAGAN, small businessman, community leader, Spokane; TIM EYMAN, taxpayer advocate, Yakima born, WAZZU grad, Mukilteo resident; ERMA TURNER, owner of beauty shop, got 1400 signatures, Cle Elum; BOB HENKEL, retired teacher, father/grandfather, got 4500 signatures, Tacoma.

The law as it presently exists:

In 2000, a law was enacted setting state vehicle license tab fees at \$30 each year for most vehicles, including cars, sport utility vehicles, motorcycles, and motor homes. Trucks and buses are subject to licensing fees according to the gross weight of the vehicle. Under current law, these fees vary from \$37 per year for trucks and buses with a gross weight of 4,000 to 6,000 pounds, to \$2,883 per year for trucks and buses weighing more than 105,500 pounds. Trucks over 42,000 pounds that carry trailers and are not used exclusively for hauling logs pay higher fees, with a maximum of \$2,973 for vehicles weighing more than 105,500 pounds.

Another law, RCW 81.104.160, permits cities that operate transit systems, county transportation authorities, metropolitan municipal corporations, public transportation benefit areas, and regional transit authorities to submit to their

voters a proposition to collect an excise tax on the value of motor vehicles. If the voters in the affected area approve the proposition, this tax may be imposed at the rate approved by the voters, but not for more than .8% (80 one-hundredths of one percent) of the value of the vehicle. This tax must be used solely for the purpose of high-capacity transportation services.

Another law, RCW 82.80.020, permits counties and certain cities and towns to impose a license fee of up to \$15 per vehicle registered in the county. A city or town may impose this fee only after approval by the voters. This fee must be used for transportation purposes.

Existing law authorizes collection of application fees upon the registration or renewed registration of a motor vehicle, over and above the basic license tab fee. Additional fees may apply in various circumstances, such as purchase of a specialized or personalized license plate, registering a vehicle previously registered in another state or country, chang-

(continued on page 18)

Statement Against

I-776 ALLOWS THE STATE TO REVERSE LOCAL ELECTIONS AND VOTER DECISIONS

I-776 seeks to eliminate locally approved transportation funding with a statewide vote. In King, Pierce, Snohomish, and Douglas counties, voters and elected officials have chosen to increase their car tabs to fund critical transportation investments. I-776 allows voters statewide to overturn those decisions. It allows Seattle residents to overturn decisions made in Douglas County. It allows Spokane residents to overturn decisions made by voters in Pierce County.

Voters who pay a local tax and use the improvements should be the ones who decide.

Overturning the results of local elections is unfair and undermines democracy.

If you support local decision-making, vote no on I-776.

I-776 WILL DRAMATICALLY INCREASE THE NUMBER OF CARS ON THE ROAD

I-776 will increase the number of cars on the road by taking away existing express bus and commuter rail service. It will also cut investments in park and rides, HOV ramps, and light rail.

I-776 will eliminate \$700 million in local, voter-approved funding for public transportation. These funds pay for *Express* buses that carry 6 million riders per year. They pay for *Sounder* commuter rail that carries 562,000 passengers per year. They will pay for *Link* light rail that is expected to carry 12.9 million riders per year. We cannot afford to force all those transit riders back into cars. It will make traffic even worse.

If you support transportation choices, vote no on I-776.

I-776 WILL REDUCE INVESTMENTS IN ROAD SAFETY AND MAINTENANCE

I-776 will eliminate \$380 million in funding used to maintain and improve local roads in King, Snohomish, Pierce, and Douglas counties.

If you support safe, well-maintained roads, vote no on I-776.

I-776 IS OPPOSED BY A BROAD COALITION OF BUSINESS, LABOR, ENVIRONMENTAL, AND CIVIC GROUPS

Rebuttal of Statement For

Under existing state law car tabs cannot exceed \$30 unless approved by local voters and local elected officials. These specified increases are dedicated to improving transportation choices or local road and safety projects. I-776 slashes voter-approved funding for buses, local commuter rail and light rail.

Defend the right of local voters to make their own decisions about local taxes. Fight traffic. Support safer roads. Vote No on I-776.

Voters Pamphlet Argument Prepared by:

DAN EVANS, (R), former Washington State Governor and U.S. Senator; BOB WATT, Vice President, Commercial Airplanes, The Boeing Company; RICK BENDER, President, Washington State Labor Council; JUDY HEDDEN, President, League of Women Voters of Washington; JEFF PARSONS, Audubon Society of Washington; JIM ELLIS, civic leader.



INITIATIVE MEASURE 776 (continued from page 9)

The law as it presently exists (continued):

ing a vehicle's certificate of ownership, replacing over-age license plates, or renewing registration at a private subagent rather than a state office.

A law that was repealed in the 2002 legislative session, RCW 35.58.273, had authorized municipalities to impose a special motor vehicle excise tax. The legislature repealed this authorization and related laws, and these local taxes are no longer in effect.

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

This measure would change the phrase "license tab fees shall be thirty dollars" to "license tab fees are required to be thirty dollars." The definition of "motor vehicle" would remain unchanged.

The measure would repeal RCW 81.104.160 (voter-approved excise taxes for high-capacity transportation) and RCW 82.80.020 (local vehicle fees for transportation purposes). The measure would also repeal RCW 35.58.273 (already repealed by the legislature in the 2002 legislative session). The measure would also repeal several laws concerning the implementation or administration of the repealed taxes and fees. However, state and federal constitutional provisions may require repealed taxes or fees to continue to be collected, to the extent bonds have been issued pursuant to law pledging collection of specific taxes or fees, and to the extent that the value of those bonds would be diminished by the new law.

The measure would also reduce the license tab fees to \$30 per year for all trucks and buses weighing less than 10,000 pounds.

The measure would not affect laws authorizing higher fees for personalized or special license plates, or the laws providing for application fees, subagent charges, or charges for additional services.



INITIATIVE MEASURE 790 (continued from page 11)

The law as it presently exists (continued):

dition of the state pension systems, develop funding policies, and make recommendations to the legislature. This committee also appoints the state actuary by a two-thirds vote. The state actuary is an officer qualified by education and experience in the field of actuarial science. The office of the state actuary performs actuarial services for the department of retirement systems, advises the legislature and the governor regarding pension benefit laws and policies, and advises the legislature concerning the actuarial impact of proposed pension bills.

The state department of retirement systems administers all of the existing state pension systems, including LEOFF Plan 2. The department is headed by a director appointed by the governor. Pension fund assets are managed by the state investment board under conditions and limitations set forth in state law.

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

This measure would create a new board of trustees to manage LEOFF Plan 2. The board would have eleven members:

- Three members would be active law enforcement officers who are participants in the plan. These would be appointed by the governor from a list provided by a recognized statewide council whose membership consists exclusively of guilds, associations, and unions representing law enforcement officers. After 2007, one of these three would be a retired law enforcement officer who is a member of the plan.
- Three board members would be active firefighters who are participants in the plan, appointed by the governor from a list provided by a recognized statewide council that is affiliated with an international association representing firefighters. After 2007, one of these three would be a retired firefighter who is a member of the plan.
- Three board members would be representatives of employers appointed by the governor.
- One board member would be a member of the house of representatives appointed by the governor based on the recommendation of the speaker of the house.
- One board member would be a member of the senate appointed by the governor based on the recommendation of the senate majority leader.

The law enforcement officer members and firefighter members would serve staggered six-year terms; the remaining board members would serve staggered four-year terms. A quorum of the board would be six members and all board action would require six concurring votes.

The board would have authority to adopt actuarial tables and economic assumptions in consultation with the state actuary or with another qualified actuary retained by the board. If the board retains an actuary different from the state actuary,



COMPLETE TEXT OF Initiative Measure 776

AN ACT Relating to limiting government-imposed charges on motor vehicles; amending RCW 46.16.0621, 46.16.070, 35.58.273, and 81.104.160; creating new sections; and repealing RCW 35.58.274, 35.58.275, 35.58.276, 35.58.277, 35.58.278, 82.44.041, 82.44.110, 82.44.150, and 82.80.020.

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

POLICIES AND PURPOSES

NEW SECTION. Sec. 1. This measure would require license tab fees to be \$30 per year for motor vehicles and light trucks and would repeal certain government-imposed charges, including excise taxes and fees, levied on motor vehicles. Politicians promised “\$30 license tabs are here to stay” and promised any increases in vehicle-related taxes, fees and surcharges would be put to a public vote. Politicians should keep their promises. As long as taxpayers must pay incredibly high sales taxes when buying motor vehicles (meaning state and local governments receive huge windfalls of sales tax revenue from these transactions), the people want license tab fees to not exceed the promised \$30 per year. Without this follow-up measure, “tab creep” will continue until license tab fees are once again obscenely expensive, as they were prior to Initiative 695. The people want a public vote on any increases in vehicle-related taxes, fees and surcharges to ensure increased accountability. Voters will require more cost-effective use of existing revenues and fundamental reforms before approving higher charges on motor vehicles (such changes may remove the need for any increases). Also, dramatic changes to transportation plans and programs previously presented to voters must be re-submitted. This measure provides a strong directive to all taxing districts to obtain voter approval before imposing taxes, fees and surcharges on motor vehicles. However, if the legislature ignores this clear message, a referendum will be filed to protect the voters’ rights. Politicians should just do the right thing and keep their promises.

REQUIRING LICENSE TAB FEES TO NOT EXCEED \$30 PER YEAR FOR MOTOR VEHICLES

Sec. 2. RCW 46.16.0621 and 2000 1st sp.s. c 1 s 1 are each amended to read as follows:

(1) License tab fees (~~shall be thirty dollars~~) are required to be \$30 per year for motor vehicles, regardless of year, value, make, or model (~~, beginning January 1, 2000~~).

(2) For the purposes of this section, “license tab fees” are defined as the general fees paid annually for licensing motor vehicles, including cars, sport utility vehicles, motorcycles, and motor homes.

REQUIRING LICENSE TAB FEES TO NOT EXCEED \$30 PER YEAR FOR LIGHT TRUCKS (HEAVY TRUCKS AND TRAILERS WILL CONTINUE TO BE BASED ON GROSS WEIGHT AT THE RATES LISTED BELOW)

Sec. 3. RCW 46.16.070 and 1994 c 262 s 8 are each amended to read as follows:

(1) In lieu of all other vehicle licensing fees, unless specifically exempt, and in addition to the (~~excise tax prescribed in chapter 82.44 RCW and the~~) mileage fees prescribed for buses and stages in RCW 46.16.125, there shall be paid and collected annually for each truck, motor truck, truck tractor, road tractor, tractor, bus, auto stage, or for hire vehicle with seating capacity of more than six, based upon the declared combined gross weight or declared gross weight thereof pursuant to the provisions of chapter 46.44 RCW, the following licensing fees by such gross weight:

DECLARED GROSS WEIGHT	SCHEDULE A	SCHEDULE B
4,000 lbs.	\$ (37.00) 30.00	\$ (37.00) 30.00
6,000 lbs.	\$ (44.00) 30.00	\$ (44.00) 30.00
8,000 lbs.	\$ (55.00) 30.00	\$ (55.00) 30.00
10,000 lbs.	\$ 62.00	\$ 62.00
12,000 lbs.	\$ 72.00	\$ 72.00
14,000 lbs.	\$ 82.00	\$ 82.00
16,000 lbs.	\$ 92.00	\$ 92.00
18,000 lbs.	\$ 137.00	\$ 137.00
20,000 lbs.	\$ 152.00	\$ 152.00
22,000 lbs.	\$ 164.00	\$ 164.00
24,000 lbs.	\$ 177.00	\$ 177.00
26,000 lbs.	\$ 187.00	\$ 187.00
28,000 lbs.	\$ 220.00	\$ 220.00
30,000 lbs.	\$ 253.00	\$ 253.00
32,000 lbs.	\$ 304.00	\$ 304.00
34,000 lbs.	\$ 323.00	\$ 323.00
36,000 lbs.	\$ 350.00	\$ 350.00
38,000 lbs.	\$ 384.00	\$ 384.00
40,000 lbs.	\$ 439.00	\$ 439.00
42,000 lbs.	\$ 456.00	\$ 546.00
44,000 lbs.	\$ 466.00	\$ 556.00
46,000 lbs.	\$ 501.00	\$ 591.00
48,000 lbs.	\$ 522.00	\$ 612.00
50,000 lbs.	\$ 566.00	\$ 656.00
52,000 lbs.	\$ 595.00	\$ 685.00
54,000 lbs.	\$ 642.00	\$ 732.00
56,000 lbs.	\$ 677.00	\$ 767.00
58,000 lbs.	\$ 704.00	\$ 794.00
60,000 lbs.	\$ 750.00	\$ 840.00
62,000 lbs.	\$ 804.00	\$ 894.00
64,000 lbs.	\$ 822.00	\$ 912.00
66,000 lbs.	\$ 915.00	\$ 1,005.00
68,000 lbs.	\$ 954.00	\$ 1,044.00



**COMPLETE TEXT OF
Initiative Measure 776 (cont.)**

**REPEALING THE REMAINING MOTOR VEHICLE
EXCISE TAX WHICH THE
LEGISLATURE FAILED TO FULLY REPEAL**

70,000 lbs.	\$ 1,027.00	\$ 1,117.00
72,000 lbs.	\$ 1,098.00	\$ 1,188.00
74,000 lbs.	\$ 1,193.00	\$ 1,283.00
76,000 lbs.	\$ 1,289.00	\$ 1,379.00
78,000 lbs.	\$ 1,407.00	\$ 1,497.00
80,000 lbs.	\$ 1,518.00	\$ 1,608.00
82,000 lbs.	\$ 1,623.00	\$ 1,713.00
84,000 lbs.	\$ 1,728.00	\$ 1,818.00
86,000 lbs.	\$ 1,833.00	\$ 1,923.00
88,000 lbs.	\$ 1,938.00	\$ 2,028.00
90,000 lbs.	\$ 2,043.00	\$ 2,133.00
92,000 lbs.	\$ 2,148.00	\$ 2,238.00
94,000 lbs.	\$ 2,253.00	\$ 2,343.00
96,000 lbs.	\$ 2,358.00	\$ 2,448.00
98,000 lbs.	\$ 2,463.00	\$ 2,553.00
100,000 lbs.	\$ 2,568.00	\$ 2,658.00
102,000 lbs.	\$ 2,673.00	\$ 2,763.00
104,000 lbs.	\$ 2,778.00	\$ 2,868.00
105,500 lbs.	\$ 2,883.00	\$ 2,973.00

Schedule A applies to vehicles either used exclusively for hauling logs or that do not tow trailers. Schedule B applies to vehicles that tow trailers and are not covered under Schedule A.

Every truck, motor truck, truck tractor, and tractor exceeding 6,000 pounds empty scale weight registered under chapter 46.16, 46.87, or 46.88 RCW shall be licensed for not less than one hundred fifty percent of its empty weight unless the amount would be in excess of the legal limits prescribed for such a vehicle in RCW 46.44.041 or 46.44.042, in which event the vehicle shall be licensed for the maximum weight authorized for such a vehicle or unless the vehicle is used only for the purpose of transporting any well drilling machine, air compressor, rock crusher, conveyor, hoist, donkey engine, cook house, tool house, bunk house, or similar machine or structure attached to or made a part of such vehicle.

The following provisions apply when increasing gross or combined gross weight for a vehicle licensed under this section:

(a) The new license fee will be one-twelfth of the fee listed above for the new gross weight, multiplied by the number of months remaining in the period for which licensing fees have been paid, including the month in which the new gross weight is effective.

(b) Upon surrender of the current certificate of registration or cab card, the new licensing fees due shall be reduced by the amount of the licensing fees previously paid for the same period for which new fees are being charged.

(2) The proceeds from the fees collected under subsection (1) of this section shall be distributed in accordance with RCW 46.68.035.

Sec. 4. RCW 35.58.273 and 1998 c 321 s 25 are each amended to read as follows:

(1) ~~((A municipality is authorized to levy and collect a special excise tax not exceeding .725 percent on the value, as determined under chapter 82.44 RCW, of every motor vehicle owned by a resident of such municipality for the privilege of using such motor vehicle provided that in no event shall the tax be less than one dollar and, subject to RCW 82.44.150 (3) and (4), the amount of such tax shall be credited against the amount of the excise tax levied by the state under RCW 82.44.020(1).))~~ Before utilization of any ~~((excise))~~ tax moneys collected under authorization of this section for acquisition of right of way or construction of a mass transit facility on a separate right of way the municipality shall adopt rules affording the public an opportunity for “corridor public hearings” and “design public hearings” as herein defined, which rule shall provide in detail the procedures necessary for public participation in the following instances: (a) Prior to adoption of location and design plans having a substantial social, economic or environmental effect upon the locality upon which they are to be constructed or (b) on such mass rapid transit systems operating on a separate right of way whenever a substantial change is proposed relating to location or design in the adopted plan. In adopting rules the municipality shall adhere to the provisions of the Administrative Procedure Act.

(2) A “corridor public hearing” is a public hearing that: (a) Is held before the municipality is committed to a specific mass transit route proposal, and before a route location is established; (b) is held to afford an opportunity for participation by those interested in the determination of the need for, and the location of, the mass rapid transit system; (c) provides a public forum that affords a full opportunity for presenting views on the mass rapid transit system route location, and the social, economic and environmental effects on that location and alternate locations: PROVIDED, That such hearing shall not be deemed to be necessary before adoption of an overall mass rapid transit system plan by a vote of the electorate of the municipality.

(3) A “design public hearing” is a public hearing that: (a) Is held after the location is established but before the design is adopted; and (b) is held to afford an opportunity for participation by those interested in the determination of major design features of the mass rapid transit system; and (c) provides a public forum to afford a full opportunity for presenting views on the mass rapid transit system design, and the social, economic, environmental effects of that design and alternate designs.

(4) A municipality ~~((imposing a tax under subsection (1) of this section))~~ may ~~((also))~~ impose a sales and use tax, in addition to the tax authorized by RCW 82.14.030, upon retail car rentals within the municipality that are taxable by the state under chapters 82.08 and 82.12 RCW. The rate of tax



COMPLETE TEXT OF Initiative Measure 776 (cont.)

shall not exceed 1.944 percent. ~~((The rate of tax imposed under this subsection shall bear the same ratio to the 1.944 percent rate authorized that the rate imposed under subsection (1) of this section bears to the rate authorized under subsection (1) of this section.))~~ The base of the tax shall be the selling price in the case of a sales tax or the rental value of the vehicle used in the case of a use tax. The tax imposed under this section shall be deducted from the amount of tax otherwise due under RCW 82.08.020(2). The revenue collected under this ~~((subsection))~~ section shall be collected and distributed in the same manner as ((special excise)) sales and use taxes under ((subsection (1) of this section)) chapter 82.14 RCW.

Any motor vehicle (special) excise tax previously imposed under the provisions of RCW 35.58.273 shall be repealed, terminated and expire on the effective date of this act.

NEW SECTION. Sec. 5. The following acts or parts of acts are each repealed:

(1) RCW 35.58.274 (Public transportation systems--Motor vehicles exempt from tax) and 1985 c 7 s 100 & 1969 ex.s. c 255 s 9;

(2) RCW 35.58.275 (Public transportation systems--Provisions of motor vehicle excise tax chapter applicable) and 1969 ex.s. c 255 s 10;

(3) RCW 35.58.276 (Public transportation systems--When tax due and payable--Collection) and 1971 ex.s. c 199 s 1 & 1969 ex.s. c 255 s 11;

(4) RCW 35.58.277 (Public transportation systems--Remittance of tax by county auditor) and 1979 c 158 s 91 & 1969 ex.s. c 255 s 12;

(5) RCW 35.58.278 (Public transportation systems--Distribution of tax) and 1975 1st ex.s. c 270 s 2, 1974 ex.s. c 54 s 1, & 1969 ex.s. c 255 s 13;

(6) RCW 82.44.041 (Valuation of vehicles) and 1998 c 321 s 4 & 1990 c 42 s 303;

(7) RCW 82.44.110 (Disposition of revenue) and 1998 c 321 s 5, 1997 c 338 s 68, & 1997 c 149 s 911; and

(8) RCW 82.44.150 (Apportionment and distribution of motor vehicle excise taxes generally) and 1999 c 94 s 30, 1998 c 321 s 6, 1995 2nd sp.s. c 14 s 538, 1994 c 241 s 1, & 1993 c 491 s 2.

REPEALING THE LOCAL MOTOR VEHICLE EXCISE TAX

Sec. 6. RCW 81.104.160 and 1998 c 321 s 35 are each amended to read as follows:

~~((1) Cities that operate transit systems, county transportation authorities, metropolitan municipal corporations, public transportation benefit areas, and regional transit authorities may submit an authorizing proposition to the voters, and if approved, may levy and collect an excise tax, at a rate~~

approved by the voters, but not exceeding eighty one hundredths of one percent on the value, under chapter 82.44 RCW, of every motor vehicle owned by a resident of the taxing district, solely for the purpose of providing high capacity transportation service. In any county imposing a motor vehicle excise tax surcharge pursuant to RCW 81.100.060, the maximum tax rate under this section shall be reduced to a rate equal to eighty one hundredths of one percent on the value less the equivalent motor vehicle excise tax rate of the surcharge imposed pursuant to RCW 81.100.060. This rate shall not apply to vehicles licensed under RCW 46.16.070 except vehicles with an unladen weight of six thousand pounds or less, RCW 46.16.070, 46.16.085, or 46.16.090.

~~((2)) An agency ((imposing a tax under subsection (1) of this section)) may ((also)) impose a sales and use tax solely for the purpose of providing high capacity transportation service, in addition to the tax authorized by RCW 82.14.030, upon retail car rentals within the agency's jurisdiction that are taxable by the state under chapters 82.08 and 82.12 RCW. The rate of tax shall not exceed 2.172 percent. ((The rate of tax imposed under this subsection shall bear the same ratio to the 2.172 percent rate authorized that the rate imposed under subsection (1) of this section bears to the rate authorized under subsection (1) of this section.))~~ The base of the tax shall be the selling price in the case of a sales tax or the rental value of the vehicle used in the case of a use tax. ~~((The revenue collected under this subsection shall be used in the same manner as excise taxes under subsection (1) of this section.))~~

Any motor vehicle excise tax previously imposed under the provisions of RCW 81.104.160(1) shall be repealed, terminated and expire on the effective date of this act.

LEGISLATIVE INTENT RELATING TO OUTSTANDING BONDS

NEW SECTION. Sec. 7. If the repeal of taxes in section 6 of this act affects any bonds previously issued for any purpose relating to light rail, the people expect transit agencies to retire these bonds using reserve funds including accrued interest, sale of property or equipment, new voter approved tax revenues, or any combination of these sources of revenue. Taxing districts should abstain from further bond sales for any purpose relating to light rail until voters decide this measure. The people encourage transit agencies to put another tax revenue measure before voters if they want to continue with a light rail system dramatically changed from that previously represented to and approved by voters.

REPEALING THE LOCAL OPTION VEHICLE LICENSE FEE

NEW SECTION. Sec. 8. RCW 82.80.020 (Vehicle license fee--Exemptions--Limitations) and 2001 c 64 s 15, 2000 c 103 s 20, 1998 c 281 s 1, 1996 c 139 s 4, 1993 c 60 s 1, 1991 c 318 s 13, & 1990 c 42 s 206 are each repealed.



COMPLETE TEXT OF Initiative Measure 776 (cont.)

CONSTRUCTION CLAUSE

NEW SECTION. Sec. 9. The provisions of this act are to be liberally construed to effectuate the intent, policies, and purposes of this act.

SEVERABILITY CLAUSE

NEW SECTION. Sec. 10. 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. If the repeal of taxes in section 6 of this act is judicially held to impair any contract in existence as of the effective date of this act, the repeal shall apply to any other contract, including novation, renewal, or refunding (in the case of bond contract).

LEGISLATIVE INTENT

NEW SECTION. Sec. 11. The people have made clear through the passage of numerous initiatives and referenda that taxes need to be reasonable and tax increases should always be a last resort. However, politicians throughout the state of Washington continue to ignore these repeated mandates.

The people expect politicians to keep their promises. The legislative intent of this measure is to ensure that they do.

Politicians are reminded:

(1) Washington voters want license tab fees to be \$30 per year for motor vehicles unless voters authorize higher vehicle-related charges at an election.

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

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

(4) When voters approve initiatives, politicians have a moral, ethical, and constitutional obligation to fully implement them. When politicians ignore this obligation, they corrupt the term "public servant."

(5) Any attempt to violate the clear intent and spirit 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 790

AN ACT Relating to the law enforcement officers' and fire fighters' retirement system, plan 2; adding new sections to chapter 41.26 RCW; creating new sections; and providing an effective date.

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

NEW SECTION. Sec. 1. OVERVIEW. The law enforcement officers' and fire fighters' retirement system plan 2 is currently subject to policymaking by the legislature's joint committee on pension policy with ratification by the members of the legislature and is administered by the department of retirement systems.

Members of the plan have no direct input into the management of their retirement program. Forty-six other states currently have member representation in their pension management. This act is intended to give management of the retirement program to the people whose lives are directly affected by it and who provide loyal and valiant service to ensure the health, safety, and welfare of the citizens of the state of Washington.

NEW SECTION. Sec. 2. INTENT. It is the intent of this act to:

(1) Establish a board of trustees responsible for the adoption of actuarial standards to be applied to the plan;

(2) Provide for additional benefits for fire fighters and law enforcement officers subject to the cost limitations provided for in this act;

(3) Exercise fiduciary responsibility in the oversight of those pension management functions assigned to the board;

(4) Provide effective monitoring of the plan by providing an annual report to the legislature, to the members and beneficiaries of the plan, and to the public;

(5) Establish contribution rates for employees, employers, and the state of Washington that will guaranty viability of the plan, subject to the limitations provided for in this act;

(6) Provide for an annual budget and to pay costs from the trust, as part of the normal cost of the plan; and

(7) Enable the board of trustees to retain professional and technical advisors as necessary for the fulfillment of their statutory responsibilities.

NEW SECTION. Sec. 3. DEFINITIONS. The definitions in this section apply throughout this act unless the context clearly requires otherwise.

(1) "Member" or "beneficiary" means:

(a) Current and future law enforcement officers and fire fighters who are contributing to the plan;

(b) Retired employees or their named beneficiaries who



INITIATIVE MEASURE 776

Fiscal Impact Statement

Five-Year Fiscal Impact Through 2007

Initiative 776 reduces transportation funding generated by vehicle license fees. Over the next five years, the initiative: reduces state funding for highways, State Patrol and ferry operations by \$93 million; and reduces local-option transportation funding for Douglas, King, Pierce and Snohomish counties, and cities within those counties, by \$165 million. The impact on Sound Transit rail and regional bus service in Snohomish, King and Pierce counties depends on the status of Sound Transit bonds. I-776 repeals \$318 million in voter-approved Sound Transit excise taxes, but the law may require continued collection of repealed taxes if needed to repay outstanding bonds.

Fiscal Impact Assumptions

- Reducing the combined license fee for trucks with a declared gross weight of 8,000 pounds or less would result in a loss of state funding for highways, the State Patrol and ferry operations. These trucks currently pay combined license fees between \$37 and \$55, depending upon vehicle weight. Initiative 776 would reduce these fees to \$30.
- Repealing the local-option vehicle license fee would result in the loss of general transportation funding in Douglas, King, Pierce, and Snohomish counties. Current law allows all counties (or qualified cities or towns with voter approval) to impose local vehicle license fees up to \$15 per year. The estimates shown reflect only those local jurisdictions that have implemented the fee to date (Douglas, King, Pierce, and Snohomish counties).
- The loss of funding for Sound Transit light rail, commuter rail, and regional bus service would result from repeal of the authority to levy a voter-approved high capacity transportation Motor Vehicle Excise Tax (MVET). However, the law may require continued collection of repealed taxes if needed to repay outstanding bonds. The estimates shown reflect only the portion of MVET that was approved by Central Puget Sound voters in November 1996 (0.3 percent of vehicle value). The average MVET bill in the Central Puget Sound region is estimated to be \$28 per year per vehicle, but actual savings would vary because the MVET is a tax based on vehicle value.
- The fiscal impacts shown assume a January 1, 2003, implementation date for Initiative 776.
- Combined license fee estimates are based on the June 2002 Motor Vehicle License, Permit and Fee Revenue Forecast.
- Local Option Vehicle Fee estimates are based on the June 2002 Local Option Tax Revenue Forecast.
- Sound Transit estimates are based on the Sound Transit November 2001 Transportation Revenue Forecast.



INITIATIVE MEASURE 790

Fiscal Impact Statement

Five-Year Fiscal Impact Through 2007

Initiative 790 increases state and local government costs for the law enforcement officers and fire fighters pension system. There is a wide range of possible fiscal impacts. The actual fiscal impacts depend on how provisions for increased benefits are implemented. Five-year costs could range from \$1 million to \$549 million for state government, from \$2 million to \$822 million for local governments, and from \$3 million to \$1.4 billion for eligible law enforcement officers and fire fighters. The higher costs are the result of increases in benefits. The lowest costs are possible only if benefits are not increased.

Fiscal Impact Assumptions

High benefit increase: Costs are \$549 million for state government, \$822 million for local governments, and \$1.4 billion for active members of the pension system. These costs are calculated using the following assumptions.

- Income from the pension fund above the estimated earnings rate is removed from the pension fund and earmarked for extra benefits every year. This process effectively reduces the average annual rate of return on investment of the fund from 8 percent to 4 percent.
- The new pension fund governing board increases benefits up to the maximum allowed without prior approval by the Legislature.
- The new governing board relies largely on new staff positions to administer the pension system.

Medium benefit increase: Costs are \$257 million for state government, \$385 million for local governments, and \$643 million for active members of the pension system. These costs are calculated using the following assumptions.

- Income from the pension fund above the estimated earnings rate is removed from the pension fund and earmarked for extra benefits every six years. This process effectively reduces the average annual rate of return on investment of the fund from 8 percent to 5 percent.
- The new pension fund governing board does not exercise its authority to adopt increased benefits over the next five years.
- The new governing board relies largely on the existing Department of Retirement System's staff positions to administer the pension system.

No benefit increase: Costs are \$1 million for state government, \$2 million for local governments, and \$3 million for active members of the pension system. These costs are calculated using the following assumptions.

- State governments, local governments, and active members of the pension fund lose the potential to benefit from periods of unanticipated high investment returns.
- The new pension fund governing board does not adopt increased benefits over the next five years.
- The new governing board relies largely on existing Department of Retirement System's staff positions to administer the pension system.