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General Election, Tuesday, November 2, 1982

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OFFICIAL VOTERS PAMPHLET

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EDITION 5

How to Obtain an Absentee Ballot:

Any registered voter who cannot vote in person may apply to the county auditor or department of elections for an absentee ballot. Any signed request with the necessary information will be honored. For your convenience, an application form is reproduced below. The addresses of the auditors or departments of elections are also listed below. In order to be certain that an absentee ballot request is authentic, the election laws require that the signature on the application be verified by comparison with the signature on the voter's permanent registration record. For this reason if a husband and wife both wish to vote by absentee ballot, both must sign the application form or separate, signed requests should be submitted. In order to be counted, an absentee ballot must be voted and postmarked no later than the day of the election. If you intend to vote an absentee ballot, make your request as soon as possible to allow sufficient time for an exchange of correspondence with the county auditor or department of elections. Absentee ballot requests may be presented in person at the office of the county auditor or department of elections up until the day of the election. No absentee ballots may be issued on the day of the election.

| COUNTY | ADDRESS | CITY | ZIP | COUNTY | ADDRESS | CITY | ZIP |
|--------------|---------------------|---------------|-------|--------------|-------------------------|---------------|-------|
| Adams | 210 West Broadway | Ritzville | 99169 | Lewis | P.O. Box 29 | Chehalis | 98532 |
| Asotin | P.O. Box 129 | Asotin | 99402 | Lincoln | P.O. Box 366 | Davenport | 99122 |
| Benton | P.O. Box 470 | Prosser | 99350 | Mason | P.O. Box 400 | Shelton | 98584 |
| Chelan | P.O. Box 400 | Wenatchee | 98801 | Okanogan | P.O. Box 1010 | Okanogan | 98840 |
| Clallam | 223 East 4th | Port Angeles | 98362 | Pacific | P.O. Box 97 | South Bend | 98586 |
| Clark | P.O. Box 5000 | Vancouver | 98668 | Pend Oreille | P.O. Box 409 | Newport | 99156 |
| Columbia | 341 East Main St. | Dayton | 99328 | Pierce | 930 Tacoma Ave. So. | Tacoma | 98402 |
| Cowlitz | 207 North 4th | Kelso | 98626 | San Juan | P.O. Box 638 | Friday Harbor | 98250 |
| Douglas | P.O. Box 456 | Waterville | 98858 | Skagit | P.O. Box 1306 | Mount Vernon | 98273 |
| Ferry | P.O. Box 498 | Republic | 99166 | Skamania | P.O. Box H | Stevenson | 98648 |
| Franklin | 1016 North 4th Ave. | Pasco | 99301 | Snohomish | 3000 Rockefeller Ave. | Everett | 98201 |
| Garfield | P.O. Box 206 | Pomeroy | 99347 | Spokane | West 1116 Broadway | Spokane | 99260 |
| Grant | P.O. Box 37 | Ephrata | 98823 | Stevens | P.O. Box 189 | Colville | 99114 |
| Grays Harbor | P.O. Box 751 | Montesano | 98563 | Thurston | 2000 Lakeridge Dr. S.W. | Olympia | 98502 |
| Island | P.O. Box 697 | Coupeville | 98239 | Wahkiakum | P.O. Box 543 | Cathlamet | 98612 |
| Jefferson | P.O. Box 563 | Port Townsend | 98368 | Walla Walla | P.O. Box 1856 | Walla Walla | 99362 |
| King | 500-4th Avenue | Seattle | 98104 | Whatcom | P.O. Box 398 | Bellingham | 98225 |
| Kitsap | P.O. Box 189 | Port Orchard | 98366 | Whitman | P.O. Box 350 | Colfax | 99111 |
| Kittitas | 5th & Main | Ellensburg | 98926 | Yakima | North 2nd & East "B" | Yakima | 98901 |
| Klickitat | P.O. Box 267 | Goldendale | 98620 | | | | |

CLIP FORM OUT ON THIS LINE

Absentee Ballot Request

I _____ HEREBY DECLARE THAT I AM A REGISTERED VOTER
PRINT NAME FOR POSITIVE IDENTIFICATION

AT _____ ADDRESS _____ CITY OR TOWN _____ ZIP _____

PHONE NO. _____ PRECINCT _____
(IF KNOWN)

SEND MY BALLOT TO: ☐ SAME ADDRESS AS ABOVE: ☐ THE ADDRESS BELOW:

STREET ADDRESS _____ CITY OR TOWN _____ STATE _____ ZIP _____

This application is for the state general election to be held on November 2, 1982.

**TO BE VALID, YOUR
SIGNATURE MUST
BE INCLUDED**

SIGNATURE X _____

SIGNATURE X _____

Note: If husband and wife both want absentee ballots, signatures of each are necessary.

FOR OFFICE USE ONLY

REGISTRATION NUMBER _____ PRECINCT CODE _____ LEG. DIST. _____

REGISTRATION VERIFIED _____ DEPUTY SIGNATURE _____ BALLOT MAILED _____

BALLOT CODE _____ ADDRESS CHANGE _____ BALLOT RETURNED _____



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INTRODUCTION TO THE 1982 VOTERS PAMPHLET

Nearly one-hundred years ago, in 1889, a small band of citizens gathered in Olympia, with the goal of achieving statehood for the people of what was then the Washington Territory. They succeeded and, in just seven years, we will celebrate our state's 100th birthday.

In our constitution and the amendments adopted early in this century, the founders of our state gave us a number of unique and special freedoms that we should reflect upon as we approach our Centennial:

- the right of all adult citizens to vote;
- the individual voter's right to propose legislation through the initiative and referendum process;
- full access to the polls for all citizens, including the disabled;
- this statewide voters pamphlet, offered since 1914, to provide ready information on candidates and issues.

On November 2, you will have the opportunity to vote on four state ballot measures and candidates for federal, state, and local offices. This Voters and Candidates Pamphlet is sent to you and to all other residents of Washington State to assist you in making your decisions on these important propositions and candidates.

Help make Washington as good for our children as it has been for us. Let us continue the tradition established by our state's founders by voting on November 2nd.

WA
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Official voters
pamphlet (Olympia,
Wash. : 1981)
Official voters
pamphlet



Ralph H. Munro

RALPH MUNRO
SECRETARY OF STATE

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TOLL-FREE VOTER INFORMATION NUMBER

1-800-562-5637

Voters from any part of the state may call toll free to the office of the Secretary of State to obtain information about the state general election and the issues which will be on the state ballot, or to request special versions of this Voters Pamphlet, including:

- Cassette tape copies of the Voters Pamphlet
- Spanish-Language edition of the Voters Pamphlet
- Braille copies of the Voters Pamphlet

The toll-free service will be operated Monday through Friday from noon until 8:00 p.m. starting on Wednesday, October 20, and running through the day of the election.



Initiative Measure 412

TO THE PEOPLE

NOTE: The ballot title and explanatory statement were written by the Attorney General as required by state law. The complete text of Initiative Measure 412 begins on page 12.

Statement for

Initiative 412 will lower interest rates on retail credit — bank cards, store cards, and retail installment contracts. It will also send a message to government that all interest rates must come down.

We want fair and affordable consumer credit. And we want our state's economy to improve. 412 helps.

Retail credit is offered to stimulate sales, pure and simple. Big banks and big business charge excessive interest rates for more profit. Claims that credit won't be available are scare tactics. Retail credit will be available because retailers must sell their goods to make a profit. Credit is a proven device to increase sales.

Our economy is strangled by high interest rates. Consumers, discouraged by interest rates of 18% or more, are postponing purchases of new cars, furniture and other durable goods. Businesses are going bankrupt at record rates.

Each retail dollar saved on interest will be spent on other goods and services. Washington's economy will improve when consumers buy more.

412 allows consumers to start buying again and retail businesses to start selling again. More people will have jobs making, moving, and servicing goods in Washington State. Thousands of jobs will be saved.

In Washington, the people set interest rates. We voted in 1968 to limit interest rates to 12%. That law helped keep our economy moving.

In 1981, the Legislature listened to big banks and changed our law. Again this year, the people will decide whether they want high interest rates.

Let's get our economy moving again. Let's restore fair interest rates. VOTE "YES" 412!

Official Ballot Title:

Shall the maximum interest rate on retail sales be the higher of 12% or 1% over the federal discount rate?

The law as it now exists:

Current state law limits the rate of interest which may be charged on purchases of goods or services primarily for personal, family, or household use under a retail installment contract or a revolving charge agreement.

The maximum annual interest rate for retail installment contracts is 6% higher than the average interest rate on 26-week Treasury Bills

during certain months of the preceding year, or \$10.00, whichever is higher.

The maximum annual interest rate for revolving charge agreements (e.g. department store charge accounts) is 18% on the outstanding unpaid balance, or \$1.00 per month, whichever is higher.

Current state law also limits the interest rate which may be charged on other types of personal loans, including purchases through a credit card, the issuer of which is not principally engaged in the business of selling goods or services (e.g. bank credit card). The maximum annual interest rate allowed for these types of loans is 4% higher than the equivalent coupon issue yield for 26-week Treasury Bills at the first bill auction of the preceding month, or 12%, whichever is higher.

However, federal law and not state law is generally applicable in setting the maximum interest rates for most residential mortgage loans and for loans made by most federally chartered or federally insured financial institutions.

Federal law allows national banks to charge the higher of the rate allowed to other lenders by the state law where they are headquartered, or 1% above the federal discount rate on 90-day commercial paper. Likewise, the maximum rate which may be charged on loans by federally chartered credit unions is set by a federal agency,

and state law allows state chartered credit unions to charge the same rates.

The maximum rates chargeable by financial institutions which are state chartered but federally insured — banks, savings banks, mutual savings banks, savings and loan associations, and credit unions — are also governed by federal law; however, that federal law allows each state to set its own maximum interest rates for loans made by such institutions by adopting a law specifically preempting the federally imposed rate.

The effect of Initiative No. 412, if approved into law:

If approved into law, Initiative 412 would set the maximum annual interest rate for retail installment contracts at 1% above the federal discount rate on 90-day commercial paper, 12%, or \$10.00, whichever is the greater. This maximum rate would still apply if the seller transfers its rights to a third party, even though the third party would be able to charge a higher rate on a direct loan to the purchaser under laws not affected by Initiative 412.

(continued on page 26)

Statement against

We oppose Initiative 412 because it threatens our credit rights and credit security, and hurts the people who need credit the most. We all want fair and available credit. And we all want to keep money, business, and jobs in Washington.

412 will hurt our people who are not well-off, including our young and elderly. When unfair interest ceilings are established, many people find it difficult — even impossible to obtain credit.

412 will hurt our independent, neighborhood retailers who cannot absorb the impact which 412 would cause.

Bank card interest is covered under 412, but Washington banks will just move their bank cards out of state. We'll pay the other state's rate — and that state will get our money, business, and jobs!

And 412 will keep other credit-sensitive industries from locating here — keeping new money, business, and jobs out of Washington.

When we reformed our usury law, we did it to help people obtain fair credit and to allow businesses to offer fair credit to people. Initiative 412 won't help us. It will hurt us BAD!

Forty-eight other states are willing to pay the price that money costs today. An artificial control like 412 will not help our state. The people of Washington do not set national monetary policy. And at a time when everyone in the United States is a victim of runaway inflation, Initiative 412 will only further victimize Washington people.

We want to keep Washington jobs in Washington. Vote for people! VOTE NO ON 412!

Rebuttal of Statement against

The Legislature didn't "reform" our usury law. Nothing's fair about 20% interest, three complex rates, hidden transaction fees, and unlimited annual fees! 412 reforms those mistakes. Businesses profit from buying and selling goods, not credit. 412 means more sales. Banks made idle threats to move their credit departments long before 412 came about. They've made millions on high interest rates. We have better uses for our money than big banks do. For fair interest rates, vote "YES" 412!

Voters Pamphlet Statement Prepared by:

RUTHE RIDDER, State Senator; ART WANG, State Representative; MARVIN L. WILLIAMS, President, Washington State Labor Council, AFL-CIO.

Advisory Committee: WARREN G. MAGNUSON, former U.S. Senator; NORMAN B. RICE, member, Seattle City Council; CLAY BLECK, Spokane small businessman; JOLENE UNSOELD, citizen lobbyist; M. WOODROW WILSON, Executive Director, Oregon-Washington Farmers Union.

Rebuttal of Statement for

The fact is: 412 would have the *opposite* of its intended effect. It would force retailers to raise prices and restrict credit to people. It would force bank cards out of state — and rates would go up. 412 hurts people who need credit. It hurts small retailers. If it passes, Washington people would pay *more*. Don't be misled! 412 won't save us money. It will decrease sales, reduce credit availability, and end jobs in Washington.

Voters Pamphlet Statement Prepared by:

MAX BENITZ, State Senator; PAT FISKE, State Representative; CAROL MONOHON, State Representative.

Advisory Committee: LINDA BORTH, Hoquiam; SHEILA GUENTHER, Vancouver.



Initiative Measure 414

TO THE PEOPLE

NOTE: The ballot title and explanatory statement were written by the Attorney General as required by state law. The complete text of Initiative Measure 414 begins on page 13.

Official Ballot Title:

Shall a system requiring a minimum five cent refund on sales of beer, malt and carbonated beverage containers be established?

The law as it now exists:

Beverage containers sold in Washington state are not required to carry any refund value. Nor does any law restrict the use of detachable pulltabs on metal containers or the use of plastic ring holding devices connecting beverage containers.

The effect of Initiative No. 414, if approved into law:

The initiative would require most soft drink, beer and ale containers sold in the state to carry a refund value of not less than 5 cents. With minor exemptions, such containers would be required to be marked with their refund value.

The refund value requirement does not apply to any beverage container which is sold and delivered for use and consumption on interstate public conveniences such as buses, trains, vessels or airplanes. Containers of dairy products, vegetable or fruit juices, wine, tea or spirits would also be exempt.

Sellers of beverages solely for on-premises consumption would not be required to charge deposits or pay refunds for containers. However, most beverage dealers would be required to accept the refundable containers which are of the same kind, size and brand sold by the particular dealer and to pay the refund value in cash to the person presenting them. Dealers can, with the approval of the Department of Ecology, delegate their refund responsibilities to recycling centers located not more than 1,000 yards away from the dealer.

Distributors would have the same obligation to accept and pay for containers presented as do dealers and recycling centers. Dealers

and recycling centers would be entitled, in addition to the refund value, to a fee of at least 2 cents per containers from distributors.

The initiative would also prohibit detachable pulltabs on metal containers and most plastic ring devices holding beverage containers together.

Statement for

THE PROBLEM: BOTTLE AND CAN LITTER

Our beaches, parks and roadsides are being overwhelmed by litter. Broken glass and littered cans are everywhere. Children and animals get cut by them. Litter is unsightly. It ruins tires. These are only a few of the hidden costs of bottle and can litter.

THE SOLUTION: INITIATIVE 414—THE REFUND AND RECYCLING ACT

Initiative 414 is the best way to clean up bottle and can litter. Only by giving people a financial incentive not to litter will reduce it. To pay a thirty cent deposit for a six pack may seem a lot but it is assured that people will think twice before leaving bottles and cans around. You wouldn't toss a nickel out of your car window. With Initiative 414 people won't toss out a bottle or can either.

REFUNDS WORKED BEFORE AND WILL NOW

We all remember 15 to 20 years ago when we had deposit bottles. It worked then and it will now. If people don't bring back the bottles and cans kids will. They'll clean up our beaches, parks and roads just to get the nickel per container.

REFUNDS WORK IN OTHER STATES

Refund and Recycling systems are law in nine states: Oregon, Michigan, Maine, New York, Massachusetts, Iowa, Connecticut, Delaware and Vermont. Beverage container litter was reduced 83% in Oregon, 80% in Vermont, 86% in Maine and 77% in Iowa.

REFUNDS INCREASE RECYCLING

Refund systems dramatically increase recycling of beverage containers to over 90%. Washington currently only recycles about 25%. Given a positive incentive to recycle, more of us will.

VOTE YES FOR REFUNDS AND RECYCLING

Rebuttal of Statement against

BY CLEANING UP THE MOST UNSIGHTLY AND HAZARDOUS OF ALL LITTER, BEER AND SOFT DRINK BOTTLES AND CANS, we can compliment our current litter control program. Children don't get cut on paper in our parks and on beaches. It worked years ago; it's worked in Oregon and Vermont for ten years. Refunds are a financial incentive to recycle. IT'S TIME TO MAKE IT PAY NOT TO LITTER. YES FOR REFUNDS. YES FOR RECYCLING. YES FOR 414.

Voters Pamphlet Statement Prepared by:

ELEANOR LEE, State Senator; DICK NELSON, State Representative, NITA RINEHART, State Representative.

Advisory Committee: ROBERT JONES, President, Washington State Farm Bureau; FRAN DREW, President, League of Women Voters; JOANNE J. BREKKE, Board Member, Washington Citizens for Recycling; REESE LINDQUIST, President, Washington Education Association; LORI SHARP, President, Washington State Sportsmen's Council.

Statement against

Initiative 414 will cost us plenty: Price hikes for beer and soft drinks (ask your grocer); Skilled-job losses (ask labor unions); Recycling setbacks (ask your neighborhood recycler); Energy waste (ask any beverage distributor).

CONSUMER PRICES WILL SOAR

Beer and soft drink prices will soar under 414. In bottle-bill states, consumers pay, in price increases and deposits, and average of 55¢ more for a six-pack of beer, 44¢ more for soft drinks.

JOB LOSSES

At least 580 skilled jobs and 1,100 unskilled jobs in the recycling industry will be lost. Organized labor opposes 414.

RECYCLING CRIPPLED

Private recyclers, operating without government subsidy, employ 2,500 workers statewide and provide income to many non-profit groups. They need beverage container revenues to stay in business. They say 414 will cripple their industry.

SANITATION PROBLEMS

Sanitation problems will occur if nearly 1½ billion unclean containers are forced back annually through our food stores, according to the Washington State Food Dealers. Grocers in forced-deposit states complain their stores are "garbage dumps."

DEFEATED MANY TIMES

Our Legislature has rejected forced-deposit legislation 16 times. Our voters have rejected it twice. The issue has been rejected 2,100 times nationally.

414 MAKES NO SENSE

Our Model Litter & Recycling law works. Business and industry—not taxpayers—pay for its programs, which provide litter pick-up jobs for 800 youths. Most litter is paper with beverage containers totaling less than 6%. Why should consumers pay \$134,000,000 annually to address 6% of the problem?

414 WILL COST YOU PLENTY. . .AND SOLVE NOTHING.

Rebuttal of Statement for

A Department of Ecology study just released shows bottles and cans are only 4.2% of litter. That study shows Washington is one of the cleanest states. Our Model Law works! It cleans up *all* litter and stimulates recycling. Washington is a national recycling leader. Our award-winning hotline (1-800-RECYCLE) gets 200+ calls daily. Why destroy private recycling and spend \$57,000,000 in price/sales tax increases and \$77,000,000 in deposits with a 4.2% problem?

Voters Pamphlet Statement Prepared by:

MARGARET HURLEY, State Senator; WILLIAM M. POLK, Speaker, House of Representatives; LLOYD B. ROBINSON, Committee for Litter Control & Recycling.

Advisory Committee: GENE TUURA, Washington State Recycling Association; JOHN A. BIGGS, former Director, Department of Ecology; MARVIN L. WILLIAMS, President, Washington State Labor Council, AFL-CIO; Gordon L. Martin, Washington Food Dealers Association; DON JACKMAN, Washington Grocers Association.



Initiative Measure 435

TO THE PEOPLE

NOTE: The ballot title and explanatory statement were written by the Attorney General as required by state law. The complete text of Initiative Measure 435 begins on page 15.

Statement for

Initiative 435 repeals the sales tax on food, imposes a 10% franchise tax on corporate profits, and exempts corporations from the business and occupation tax. At a time of fiscal crisis in the state, Initiative 435 is a responsible choice to replace lost revenue and accomplish some important tax reforms in a single ballot measure.

It is designed to: Eliminate two regressive and inequitable taxes — sales tax on food and the business and occupation tax; Replace lost revenue from these taxes; Broaden the state's tax base.

A sales tax on food is unfair. Lower and middle income families devote more of their income to food than do wealthier families. Taxing a basic necessity of life, especially during a recession when people are struggling to make ends meet, is simply wrong. We must remove the sales tax on food.

Still, the state needs revenue. The current sales tax on food is scheduled to expire on July 1, 1983, with no alternative tax to replace it. Few analysts are predicting that the recession in Washington State will be over by that date. Large corporations in this state will receive an estimated \$1.5 billion in federal corporate tax relief which will go untaxed unless Initiative 435 passes. Initiative 435 imposes a permanent 10% corporate income tax effective January 1, 1983, that will bring in an estimated additional \$231 million to the state treasury in the 1983-85 biennium.

Initiative 435 is designed to assist many small businesses. Currently, such businesses are assessed a state business and occupation tax on gross receipts, whether they make a profit or not. This discourages the development of new businesses, which often take several years to become profitable. Initiative 435 will provide substantial tax relief to these businesses at a

Official Ballot Title:

Shall corporate franchise taxes, measured by net income, replace sales taxes on food and state corporate business and occupation taxes?

The law as it now exists:

State law does not now impose any tax measured by net income on corporations or other businesses, and prior rulings of the state Supreme Court have invalidated earlier laws imposing such taxes. Corporations and other businesses do currently pay excise and property taxes together with license fees. The excise tax most widely imposed is the business and occupation tax which is measured by gross income

time when it is most needed. It also shifts the tax to a truer measure of a business' worth: its net profits. If there is no profit, there is no tax.

Finally, Initiative 435 seeks to restore the mandate of Washington voters when they removed the sales tax from food by initiative in 1977. The 1982 Legislature had numerous tax options before it yet chose the one tax which the voters had recently rejected overwhelmingly.

Rebuttal of Statement against

Initiative 435 sends a clear message to Olympia: No sales tax on food now; No sales tax on food next year; No sales tax on food ever. Initiative 435 replaces the sales tax on food and the corporate business and occupation tax with a 10% tax on corporate profits. Voters must consider which is more fair: a tax on groceries, which hurts most those who can least afford it, or a tax on corporate profits.

Voters Pamphlet Statement Prepared by:

JAMES A. McDERMOTT, State Senator; RUTHE RIDDER, State Senator; GLADYS BURNS.

and imposed at varying rates (depending on the nature of the business) which generally do not exceed 1%.

In 1982 the sales and use tax on food products was reimposed with a termination date of June 30, 1983. Food which had been previously taxed, was exempted from such taxes by an initiative approved by the voters in 1977.

The effect of Initiative No. 435, if approved into law:

This initiative, if upheld by the courts, would terminate, effective February 1, 1983, the sales and use tax on food products, and would impose upon corporations (other than nonprofit corporations) doing business in this state a tax measured by 10% of their net income. The annual corporate license fees would be allowed as a credit against the tax. Corporations subject to the tax imposed by the initiative would no longer pay the business and occupation tax. However, certain corporations such as public utilities and insurance companies would be subject to both the new 10% tax and those excise taxes imposed upon them under present law. Businesses other than corporations, subject

to the new tax, would pay only those business taxes imposed under law.

Statement against

435 IS MISLEADING—THE FOOD TAX ALREADY ENDS IN JUNE, BY LAW.

We don't need 435 to end the food tax. People don't want the food tax, and a 'no' vote on 435 will tell the Legislature that the food tax must end in June, as the law requires.

435 IS IRRESPONSIBLE—IT WON'T PAY \$150 MILLION OF THE STATE'S BILLS.

435 costs the state \$150 million or more — equal to 10% of the whole State budget in the last few months of this biennium. That's money we need for schools, prisons, programs for the elderly, mental institutions and other vital public facilities.

435 HURTS JOB-SEEKERS, HURTS HOME BUYERS, FARMERS, CONSUMERS, OUR WHOLE ECONOMY.

The new taxes 435 would create will prolong the recession and keep unemployment high. 435 will dry up mortgage loans for home buyers by imposing a 10% tax on interest income. 435 adds a grave tax burden for farmers. New corporate taxes drive up consumer prices, too. 435 is a problem — not a solution.

435 IS A TAX TRAP—WITH NO CONSTITUTIONAL PROTECTION, NO LIMITATIONS.

At least 1.5 billion more revenue has been projected just to maintain service levels in the next biennium. 435 creates an immediate budget crisis costing \$150 million — and provides no

long range solution. 435 will invite a personal income tax without constitutional limits, without reducing other taxes. But 435 won't protect the taxpayer, won't stabilize the State's tax base, and won't limit State spending.

Rebuttal of Statement for

Supporters continue to duck the truth: State law already repeals the food tax in June — without 435! People want to end the food tax in June, and the Governor will veto any move otherwise. 435 costs the state \$150 million, cuts funds for schools and seniors, extends recession and prolongs unemployment. 435 destroys availability of money for home financing with its 10% tax on interest income. 435 is a tax trap — with no constitutional limits.

Voters Pamphlet Statement Prepared by:

WES UHLMAN, former Mayor, Seattle, and former State Senator; BUD PARDINI, former State Representative; GLENN PASCALL, former Director, Department of Revenue.

Advisory Committee: DR. DAVID MOBERLY, former Superintendent, Seattle Public Schools; STU BLEDSOE, former Director, Department of Agriculture; EUGENE L. ST. JOHN, Executive Director, Washington Public Employees Association.



Senate Joint Resolution 143

PROPOSED CONSTITUTIONAL AMENDMENT

NOTE: The ballot title and explanatory statement were written by the Attorney General as required by state law. The complete text of Senate Joint Resolution 143 begins on page 21.
Vote cast by the 1982 Legislature on final passage:
HOUSE: Yeas, 73; Nays, 22; Absent or not voting, 3.
SENATE: Yeas, 36; Nays, 11; Absent or not voting, 2.

Official Ballot Title:

Shall financing of public improvements from taxes on increased property values as a result of such improvements be constitutionally authorized?

The law as it now exists:

Currently, any county or any city or town (municipal corporation) may construct public improvements authorized by law, within their jurisdictions. If such improvements bring about increased values in existing properties or attract new investments in the area, ad valorem (property) tax revenues from such increased property values may be greater than those taxes that would have been collected if such public improvements had not been built.

Any additional or incremental property tax revenues derived from an increase in property tax values generated by a public improvement will be available for general budgetary purposes to any taxing district authorized to levy taxes on properties within its jurisdiction, the values of which are increased by the construction and operation of a public improvement. The uniformity clause of the constitution requires a county, city or town sponsoring a public improvement to share any increase in revenue from that project with other taxing districts in which the project is also located.

Under current law the costs of some public improvements may be financed from charges and fees, other than tax revenues, for the use of the facilities themselves. If, however, a municipal corporation seeks to use general tax revenues to finance such projects, any indebtedness incurred by the project will be subject to overall constitutional and statutory limitations on the amount of local government indebtedness.

The effect of SJR 143, if approved into law:

This proposed amendment would add a new section to Article VII of the Constitution, authorizing the legislature to permit any county,

city or town (municipal corporation) to create "boundaries" or districts within urban areas which will contain those real properties whose value are likely to be increased by the construction of a public improvement within a district. The constitutional amendment does not define public improvement, but limits its definition to those projects which the legislature under existing constitutional limitations has already or may in the future authorize a municipal corporation to construct and finance.

Under this proposed amendment the constitutional requirement of uniformity will not prevent the legislature from authorizing a county, city or town to finance public improvements through the use of all or a portion of the property tax revenues derived from the increase in the true and fair value of real property affected by the presence of the public improvement. Bonds or other public obligations which are used to finance such public improvements and which are to be repaid solely from such tax revenues will not be subject to the limitations on general indebtedness imposed on a county, city or town by Article VIII, § 6 of the Constitution.

The amendment provides, however, that when a municipal corporation seeks in addition to pledge other tax revenues or to pledge its full faith and credit to the repayment of obligations incurred for

(continued on page 26)

Statement for

YES ON 143 MEANS STRONG COMMUNITIES AND NO NEW TAXES

SJR 143 is a proposed amendment to the Washington State Constitution that provides a new way to raise *private investment dollars* for local public improvements, i.e. streets, sidewalks, street lighting, park improvements and parking.

The program is called Community Redevelopment Financing. It has been used successfully in 28 other states to promote economic stability in areas that are deteriorating and in need of rehabilitation.

YES ON 143 MEANS NEW JOBS

SJR 143 provides for a partnership between business and local governments that will result in new construction and new jobs. In Rosemont, Illinois, private developments of hotel, office and retail structures resulted in extensive public improvements. The redevelopment projects produced 6,000 new jobs.

YES ON 143 MEANS A STRONG LOCAL ECONOMY

Declining urban areas are a fiscal drain on taxpayers and public services. New private investment in those areas will provide increased revenues, which would otherwise not be available. The revenues will first pay for the public improvements and then will be used to support local government services, relieving the property tax burden on all other taxpayers.

**SAY YES TO SJR 143!
BUILD A STRONG COMMUNITY**



Rebuttal of Statement against

SJR 143 WILL NOT RAISE YOUR PROPERTY TAXES — Statistics from 28 other states prove it. **SJR 143 CREATES JOBS —** Both Democratic and Republican legislative leaders included it in their Economic Recovery programs. After a thorough study, it was passed by two-thirds of our state legislators and is supported by the Washington State Labor Council, State League of Women Voters, Chambers of Commerce statewide, Business and Civic Leaders. Opposition arguments are unfounded and untrue.

Voters Pamphlet Statement Prepared by:

GEORGE FLEMING, State Senator; ART GALLAGHAN, State Senator; RICHARD H. BARRETT, State Representative.

Advisory Committee: ROBERT S. O'BRIEN, State Treasurer; FRAN DREW, President, League of Women Voters of Washington; MARVIN L. WILLIAMS, President, Washington State Labor Council, AFL-CIO; DONALD E. KUHN, President, Association of Washington Cities; HERBERT M. BRIDGE, Chairman, Ben Bridge Jeweler, Inc.

Statement against

SJR 143 WILL FORCE PROPERTY TAXES EVER HIGHER

Citizens living near the project area can expect to see a huge increase in their property taxes, because the increased property values associated with the public projects will force the county assessor to raise the assessments of surrounding property.

SJR 143 WILL HURT SMALL BUSINESS

Unfair competition from publicly subsidized developments will decrease profits and drive some businesses into probable bankruptcy.

SJR 143 WILL ELIMINATE JOBS

Tax increment financing will cause jobs to be lost due to the failure of surrounding businesses hurt by the unfair subsidized competition.

SJR 143 WILL INCREASE INTEREST RATES

The bonds authorized by SJR 143 will compete with other projects for a limited pool of investor funds, thereby driving up interest costs. The national debt is already one trillion dollars with annual interest of \$100 billion. Can we really allow these astronomical costs to go still higher?

SJR 143 WILL DESTROY NEIGHBORHOODS

If SJR 143 passes, many neighborhoods will have their character radically altered or completely destroyed by the unfettered expansion of unnecessary or questionable projects.

TAX INCREMENT FINANCING WAS PREVIOUSLY DEFEATED BY THE VOTERS

In 1973 a very similar tax increment financing constitutional amendment (HJR 22) was placed upon the ballot. The citizens rejected the issue by a margin of nearly 3 to 1. How many times do we have to say "no"?

Rebuttal of Statement for

The proponents suggest that spending more and more of the taxpayers' money is an effective way to improve our economy. If that were true, then why are the economies of England and Mexico in so much trouble? The belief that we can spend ourselves into prosperity is an impossible and dangerous dream. Vote against fiscal irresponsibility and funny money. Vote "no" on SJR 143.

Voters Pamphlet Statement Prepared by:

KENT PULLEN, State Senator; A. L. RASMUSSEN, State Senator; MARGARET LEONARD, State Representative.

Advisory Committee: GLADYS E. EDWARDS, Property Owners Protection Association; WILLIAM FOSBRE, Thurston County Chapter, Overtaxed.



COMPLETE TEXT OF Initiative Measure 412

AN ACT Relating to credit transactions; amending section 13, chapter 236, Laws of 1963 as last amended by section 5, chapter 77, Laws of 1981 and RCW 63.14.130; amending section 10, chapter 77, Laws of 1981 and RCW 63.14.165; amending section 1, chapter 90, Laws of 1981 and RCW 31.12.373; amending section 3, chapter 90, Laws of 1981 and RCW 31.12.377; amending section 1, chapter 87, Laws of 1981 and RCW 33.12.012; amending section 2, chapter 87, Laws of 1981 and RCW 33.12.014; adding a new section to chapter 30.04 RCW; adding a new section to chapter 31.04 RCW; adding a new section to chapter 31.08 RCW; adding a new section to chapter 31.12 RCW; adding a new section to chapter 32.04 RCW; adding a new section to chapter 33.04 RCW; adding new sections to chapter 63.14 RCW; creating a new section; repealing section 7, chapter 77, Laws of 1981 and RCW 19.52.120; and providing an effective date.

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

Section 1. Section 13, chapter 236, Laws of 1963 as last amended by section 5, chapter 77, Laws of 1981 and RCW 63.14.130 are each amended to read as follows:

The service charge shall be inclusive of all charges incident to investigating and making the retail installment contract or charge agreement and for the privilege of making the installment payments thereunder and no other fee, expense or charge whatsoever shall be taken, received, reserved or contracted therefor from the buyer.

(1) The service charge, in a retail installment contract, shall not exceed the highest of the following:

(a) ~~A rate on outstanding unpaid balances ((which exceeds six percentage points above the average, rounded to the nearest one-quarter of one percent, of the equivalent coupon issue yields (as published by the Federal Reserve Bank of San Francisco) of the bill rates for twenty six week treasury bills for the last market auctions conducted during February, May, August, and November of the year prior to the year in which the retail installment contract is executed; or))~~ of twelve percent per annum;

(b) A rate per annum on outstanding unpaid balances of one percentage point in excess of the discount rate on ninety-day commercial paper in effect at the Federal Reserve Bank in San Francisco on the fifteenth of the month immediately preceding the month in which the contract is executed; or

(c) Ten dollars.

(2) The service charge in a retail charge agreement, revolving charge agreement, or charge agreement, shall not exceed ~~((one and one half percent per month on the outstanding unpaid balances. If the service charge so computed is less than one dollar for any month, then one dollar may be charged))~~ the highest of the following:

(a) One percent per month on the outstanding unpaid balances;

(b) A rate per month on outstanding unpaid balances, rounded to the nearest one-hundredth percent, equivalent to one-twelfth of a rate per annum of one percentage point in excess of the discount rate on ninety-day commercial paper in effect at the Federal Reserve Bank in San Francisco on the fifteenth of November of the year immediately preceding the year the retail installment transaction is entered into; or

(c) One dollar per month.

(3) A service charge may be computed on the median amount within a range which does not exceed ten dollars and which is a part of a published schedule of consecutive ranges applied to an outstanding balance, provided the median amount is used in computing the service charge for all balances within such range.

Sec. 2. Section 10, chapter 77, Laws of 1981 and RCW 63.14.165 are each amended to read as follows:

~~A ((lender)) credit card is ((a card or device issued under an arrangement pursuant to which the issuer gives to a card holder residing in this state the privilege of obtaining credit from the issuer or other persons in purchasing or leasing property or services, obtaining loans, or otherwise, and the issuer of which is not principally engaged in the business of selling goods;~~

~~A lender credit card agreement and credit extended pursuant to it is not subject to the provisions of this chapter but shall be subject to the provisions of chapter 19.52 RCW))~~ any card, plate, coupon book, or other single credit device existing for the purpose of being used from time to time by the buyer upon presentation to obtain goods, services, money, or otherwise when the underlying agreement provides for a service or other finance or interest charge or the buyer's obligation is payable in more than four installments. When a credit card is used for the purchase of goods or services, as those terms are used in this chapter, it is a retail installment transaction and is subject to this chapter whether or not the issuer is a person who is also the seller of the goods or services or is a person who is primarily engaged in the business of lending money. A membership or like fee charged for the ownership of such a credit card shall not exceed twelve dollars per year.

NEW SECTION. Sec. 3. There is added to chapter 63.14 RCW a new section to read as follows:

(1) The buyer's obligation, notwithstanding the form of the evidence of the debt, arising from a sale of goods or services to a buyer by a seller which provides for a service, finance, interest, or like charge or payment in more than four installments is subject to this chapter whether or not the person ultimately entitled to enforce the buyer's obligation is the seller or another person.

(2) This section includes but is not limited to transactions in which:

(a) The seller assigns or otherwise transfers the evidence of the debt to another person who enforces the obligation including a financing organization;

(b) The form or forms used to evidence the sales transaction have been supplied or prepared by another person who enforces the obligation including a financing organization;

(c) The credit standing of the buyer is or may be evaluated by or evaluated pursuant to the instructions

furnished by another person who enforces the obligation including a financing organization; or

(d) The sales transaction or evidence of debt is negotiated in the presence or with the assistance of a representative of another person who enforces the obligation including a financing organization.

NEW SECTION. Sec. 4. There is added to chapter 63.14 RCW a new section to read as follows:

In any transaction subject to this chapter, a person shall not be entitled to charge a higher rate of service or other interest charge which may be contained in any other chapter or title including, but not limited to, chapters 19.52, 31.04, 31.08, and 31.12 RCW, and Titles 30, 32, and 33 RCW.

Sec. 5. Section 1, chapter 90, Laws of 1981 and RCW 31.12.373 are each amended to read as follows:

Notwithstanding any other provision of law except chapter 63.14 RCW, a credit union may exercise any of the powers or authority conferred as of May 8, 1981, upon a federal credit union doing business in this state.

Sec. 6. Section 3, chapter 90, Laws of 1981 and RCW 31.12.377 are each amended to read as follows:

Notwithstanding any other provision of law except chapter 63.14 RCW, the supervisor may make reasonable rules authorizing a credit union to exercise any of the powers conferred at the time of the adoption of the rules upon a federal credit union doing business in this state if the supervisor finds that the exercise of the power:

(1) Serves the convenience and advantage of depositors and borrowers; and

(2) Maintains the fairness of competition and parity between state-chartered credit unions and federally-chartered credit unions.

Sec. 7. Section 1, chapter 87, Laws of 1981 and RCW 33.12.012 are each amended to read as follows:

Notwithstanding any other provision of law except chapter 63.14 RCW, a savings and loan association may exercise any of the powers conferred as of May 8, 1981, upon a federal savings and loan association doing business in this state.

Sec. 8. Section 2, chapter 87, Laws of 1981 and RCW 33.12.014 are each amended to read as follows:

Notwithstanding any other provision of law except chapter 63.14 RCW, the supervisor may make reasonable rules authorizing a savings and loan association to exercise any of the powers conferred at the time of the adoption of the rules upon a federal savings and loan association doing business in this state, or may modify or reduce reserve or other requirements if an association is insured by ~~((the))~~ the federal savings and loan insurance corporation, if the supervisor finds that the exercise of the power:

(1) Serves the convenience and advantage of depositors and borrowers; and

(2) Maintains the fairness of competition and parity between state-chartered savings and loan associations and federally-chartered savings and loan associations.

NEW SECTION. Sec. 9. There is added to chapter 30.04 RCW a new section to read as follows:

This title does not authorize a bank or trust company to engage in any practice or levy any charge prohibited by chapter 63.14 RCW.

NEW SECTION. Sec. 10. There is added to chapter 31.04 RCW a new section to read as follows:

This chapter does not authorize a licensee to engage in any practice or levy any charge prohibited by chapter 63.14 RCW.

NEW SECTION. Sec. 11. There is added to chapter 31.08 RCW a new section to read as follows:

This chapter does not authorize a licensee to engage in any practice or levy any charge prohibited by chapter 63.14 RCW.

NEW SECTION. Sec. 12. There is added to chapter 31.12 RCW a new section to read as follows:

This chapter does not authorize a licensee to engage in any practice or levy any charge prohibited by chapter 63.14 RCW.

NEW SECTION. Sec. 13. There is added to chapter 32.04 RCW a new section to read as follows:

This title does not authorize a mutual savings bank to engage in any practice or levy any charge prohibited by chapter 63.14 RCW.

NEW SECTION. Sec. 14. There is added to chapter 33.04 RCW a new section to read as follows:

This title does not authorize a savings and loan association to engage in any practice or levy any charge prohibited by chapter 63.14 RCW.

NEW SECTION. Sec. 15. (1) The state of Washington hereby declares and explicitly states that it does not want any of the provisions of the amendments contained in sections 521, 522, and 523 Part C of Public Law 96-221 to apply with respect to loans made in this state. It is the intent of the state under this section to exercise all authority granted by the Congress of the United States, and to satisfy all requirements imposed by Congress in section 525 of Part C of Public Law 96-221 for the purpose of rendering the provisions of Public Law 96-221 Title V Part C inapplicable in this state.

(2) For the purposes of this section only, the term "loan" includes all secured and unsecured loans, credit sales, forbearances, advances, renewals or other extensions of credit made by or to any person or organization.

NEW SECTION. Sec. 16. Section 7, chapter 77, Laws of 1981 and RCW 19.52.120 are each repealed.

NEW SECTION. Sec. 17. 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.

NEW SECTION. Sec. 18. The effective date of this act is February 1, 1983. On or after that date, this act shall apply only to loans or forbearances or transactions which are entered into after the effective date of this act or to existing loans or forbearances, contracts, or agreements to which there is an addition to the principal amount of the credit outstanding after the effective date of this act.



COMPLETE TEXT OF Initiative Measure 414

AN ACT Relating to solid waste management, establishing a minimum refund value on beverage containers to promote their reuse and recycling, adding a new chapter to Title 70 RCW; prescribing penalties; and providing effective dates.

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

NEW SECTION. Section 1. This chapter shall be known and may be cited as the Washington State Refund Recycling Act.

NEW SECTION. Sec. 2. The people of the state of Washington find:

- (1) That the failure to reuse and recycle empty beverage containers represents a waste of energy and material resources.
- (2) The littering of beverage containers constitutes a public nuisance, a safety hazard, and esthetic blight and imposes upon public agencies unnecessary costs for the removal and collection of such containers.
- (3) Empty beverage containers constitute a significant and growing proportion of municipal solid waste, the disposal of which imposes a financial burden on local governments.
- (4) The reuse and recycling of empty beverage containers would reduce these unnecessary burdens on individuals, local governments, and the environment.
- (5) A system requiring a refund value on the sale of all beverage containers would result in a high level of reuse and recycling of such containers, help clean up litter, save energy, increase jobs, stabilize recycling markets, need no new bureaucracy, be self-regulating, and promote a cleaner Washington.

NEW SECTION. Sec. 3. Unless the context clearly requires otherwise, the definitions in this section shall apply throughout this chapter.

(1) "Beverage" means beer, ale, or other malt drink of whatever alcoholic content, and mineral water, soda water, and similar carbonated soft drinks of any variety, in liquid form and intended for human consumption, but does not include dairy products, vegetable or fruit juices, wine, tea, or spirits.

(2) "Beverage container" means an airtight container sealed by the manufacturer and designed to contain a beverage under pressure of carbonation, including, but not limited to, containers of metal, glass, plastic, or a combination of these, but does not include cups and other open receptacles.

(3) "Consumer" means any person who purchases a beverage in a beverage container for any use other than resale.

(4) "Dealer" means any person, including the operator of a vending machine, who sells, offers to sell, or engages in the sale of beverages in beverage containers to consumers in this state.

(5) "Department" means the department of ecology of the state of Washington.

(6) "Distributor" means any person who sells or offers for sale beverages in beverage containers to a dealer in this state, including any manufacturer who engages in such sales.

(7) "Manufacturer" means any person bottling, canning, or otherwise filling beverage containers for sale to distributors or dealers.

(8) "Recycling center" means an operation at a specific location or related service, which is registered with the department, where any person may redeem the amount of the refund value for any empty beverage container.

NEW SECTION. Sec. 4. (1) Every beverage container sold

or offered for sale to a consumer in this state shall have a refund value of not less than five cents.

(2) Except as provided in subsections (3) and (4) of this section, every beverage container sold or offered for sale in this state by a dealer shall clearly and prominently indicate the refund value by embossing, stamping, labeling, or other method of secure attachment to the beverage container on a place other than the container's bottom.

(3) The requirement in subsection (2) of this section does not apply to refillable glass beverage containers manufactured before July 1, 1984, which have a brand name permanently marked on them and a refund value of not less than five cents.

(4) The provisions of this section providing for a refund value shall not apply to any container which is sold and delivered for use and consumption on interstate public conveniences such as busses, trains, vessels, or airplanes.

NEW SECTION. Sec. 5. Except as provided in section 6 of this act:

(1) A dealer, or a recycling center established to provide the total refund service for a dealer, may not refuse to accept from any person any empty beverage container of the kind, size, and brand sold by the dealer or refuse to pay in cash upon request to that person, the refund value of the beverage container as established under section 4 of this act. A dealer may locate the refund and storage operations separate from the enclosed retail store area if such operations are on or adjacent to the dealer's premises; or if such operations have been arranged with a local recycling center that is near the dealer and within a convenient distance for the consumer, as defined by the department, but not more than one thousand yards away.

(2) A distributor may not refuse to accept from a dealer or a recycling center any empty beverage container of the kind, size, or brand sold by the distributor in this state, or refuse to pay the dealer or recycling center the refund value of the beverage container as established in section 4 of this act.

(3) In addition to the payment of the refund value, the distributor accepting beverage containers under subsection (2) of this section shall reimburse the dealer or recycling center for handling the beverage containers in an amount of twenty percent of such refund value, but not less than two cents per container.

(4) The department shall review the adequacy of the amount of reimbursement given to recycling centers and dealers under subsection (3) of this section and shall submit any recommended changes to the regular sessions of the Washington state legislature.

NEW SECTION. Sec. 6. (1) A dealer, recycling center, or distributor may refuse to accept any empty beverage container which does not state thereon the refund value as established under section 4 of this act, which contains material foreign to the normal contents of the container, or which, if glass, is broken.

(2) A dealer may establish reasonable hours when a quantity of containers in excess of forty-eight will be accepted from any one consumer, and may then refuse to accept such quantities during other hours.

NEW SECTION. Sec. 7. No beverage shall be sold or offered for sale to consumers in this state:

(1) In a metal beverage container a part of which is

designed to be detached in order to open such container.

- (2) In containers connected to each other by a separate holding device constructed of plastic rings which will not decompose under natural conditions within 180 days of disposal.

NEW SECTION. Sec. 8. Any dealer selling a beverage in a beverage container solely for consumption on the premises of the dealer may elect not to charge a deposit at the time of sale, and if so electing, shall not be required to pay a refund for accepting that empty beverage container back.

NEW SECTION. Sec. 9. Every operator of a vending machine which sells beverages in beverage containers shall post a conspicuous notice on each vending machine indicating that a refund value of not less than five cents is available on each beverage container purchased and where, how far away, and from whom that refund may be obtained.

NEW SECTION. Sec. 10. (1) The department may adopt such rules and regulations in accordance with chapter 34.04 RCW as may be necessary to carry out the provisions of this chapter.

(2) Decisions of the department under this chapter, other than rulemaking, shall be subject to review in accordance with chapter 43.21B RCW.

NEW SECTION. Sec. 11. Any person found guilty of willfully violating any of the provisions of this chapter shall be guilty of a misdemeanor and subject to a fine of not less than twenty-five dollars or more than one thousand dollars and costs. Every day a violation occurs is a separate offense.

NEW SECTION. Sec. 12. 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.

NEW SECTION. Sec. 13. The department shall adopt by July 1, 1983, such rules and regulations as may be necessary to implement sections 1 through 12 of this act. Such rules and regulations shall take effect on July 1, 1984.

NEW SECTION. Sec. 14. Sections 1 through 12 of this act shall take effect July 1, 1984. Section 13 of this act shall take effect 30 days after passage by the voters.

NEW SECTION. Sec. 15. Sections 1 through 13 of this act shall constitute a new chapter in Title 70 RCW.

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

PURPOSE

NEW SECTION. Section 1. Domestic corporations of this state and foreign corporations admitted to do an intrastate business in this state are privileged to carry on innumerable and profitable activities in this state in a corporate form. These corporations are currently subject to nominal and discriminatory annual corporate privilege fees. These fees are limited in amount, have a regressive impact on the smaller corporations, and are measured by authorized capital stock which bears little or no relationship to the extent and to the profitability of the business opportunities afforded corporations by this state.

The purpose of this title is to give recognition to the fact that the privilege of engaging in business activities in this state as a corporation, regardless of the characterization of these activities for commerce clause purposes, is a substantial privilege for which commensurate fees or taxes should be charged. Inasmuch as the profitability of the corporation is a true indication of the nature and extent of the privileges enjoyed, it is the intention of this title to measure the corporate privilege fee by the net income derived by a corporation from the activities it carries on in this state. In order that corporations who do not conduct any intrastate business in this state may be subject to an equivalent tax for comparable privileges but which cannot, because of the commerce clause of the United States Constitution, be subjected to a corporate privilege fee, there is also imposed a compensating tax on corporations doing only an interstate business in this state.

To assure that all corporations pay some fee for the privilege of conducting business activity in this state, the existing corporate fees are not affected by this title. Any existing annual corporate privilege fee, however, is credited against the corporate privilege fee imposed by this title.

If the compensating tax imposed on corporations doing an interstate business in this state is declared invalid, it is nevertheless intended that the corporate privilege fee be imposed pursuant to this title on all profit corporations conducting any intrastate business activity in this state.

PART A

DEFINITIONS—CONSTRUCTION RULES

NEW SECTION. Sec. 2. (1) **CONSTRUCTION—MEANING OF TERMS.** Except as otherwise expressly provided or clearly appearing from the context, any term used in this title shall have the same meaning as when used in a comparable context in the United States Internal Revenue Code of 1954 and amendments thereto or any successor law or laws relating to federal income taxes and other provisions of the statutes of the United States relating to federal income taxes as such code, laws, and statutes are in effect upon the effective date of this section.

(2) **GENERALLY.** (a) **INTENT.** It is the intention of this title that the income which constitutes the measure of the corporate privilege fee and compensating tax be the same as taxable income as defined and applicable to the subject taxpayer for the same tax year in the Internal Revenue Code, except as otherwise expressly provided in this title.



COMPLETE TEXT OF Initiative Measure 435

AN ACT Relating to revenue and taxation; adding a new title to the Revised Code of Washington to be designated Title 82A; adding a new section to chapter 82.04 RCW; adding a new section to chapter 82.08 RCW; adding a new section to chapter 82.12 RCW; creating new sections; repealing section 28, chapter . . . (SB 4250), Laws of 1982 1st ex. sess. and RCW 82.08. . . ; repealing section 29, chapter . . . (SB 4250), Laws of 1982 1st ex. sess. and RCW 82.12. . . ; repealing section 33, chapter . . . (SB 4250), Laws of 1982 1st ex. sess. and RCW 82.08. . . ; repealing section 34, chapter . . . (SB 4250), Laws of 1982 1st ex. sess. and RCW 82.12. . . ; prescribing penalties; and providing effective dates.

(b) **DISPOSITION OF REVENUES.** All revenues derived from the taxes imposed by this title shall be deposited in the state general fund.

(3) **SHORT TITLE.** This title may be known and cited as the "Washington Corporate Franchise Privilege Fee and Compensating Tax Code."

NEW SECTION. Sec. 3. **DEFINITIONS AND RULES OF INTERPRETATION.** When used in this title where not otherwise distinctly expressed or manifestly incompatible with the intent thereof:

(1) "Corporation" means, in addition to an incorporated entity, and association, trust, or any unincorporated organization which is defined as a corporation in the Internal Revenue Code and in substance exercises the privileges of a corporation such as limited liability and issuance of evidences of ownership.

(2) "Department" means the department of revenue of this state.

(3) "Director" means the director of revenue of this state.

(4) "Financial organization" means any bank, trust company, savings bank, industrial bank, land bank, safe deposit company, private banker, savings and loan association, building and loan association, bank holding company as defined in section 1841, chapter 17, Title 12 of the laws of the United States, credit union, currency exchange, cooperative bank, small loan company, sales finance company, or investment company, and any other corporation at least ninety percent of whose assets consist of intangible property and at least ninety percent of whose gross income consists of dividends or interest or other charges resulting from the use of money or credit.

(5) "Fiscal year" means an accounting period of twelve months ending on the last day of any month other than December.

(6) "Foreign corporation" means a corporation organized under the laws of a foreign country or a corporation organized under the laws of any state or the United States which is domiciled in a foreign country.

(7) "Income" means gross income as defined in section 61 of the Internal Revenue Code and includes all items there set forth which the taxpayer is required to include in the computation of its federal income tax liability after the effective date of this section subject to the specific deductions and other adjustments required by this title to arrive at "net income" and "taxable income."

(8) "Internal Revenue Code" means the United States Internal Revenue Code of 1954 or any successor law or laws relating to federal income taxes in effect upon the effective date of this section.

(9) "Net income" means taxable income prior to application of the apportionment provisions of this title.

(10) "Net income tax" means a tax imposed or measured, in whole or in part, on the net income of the taxpayer.

(11) "Person" means a corporation, or any of its officers or employees when so indicated in the context in which the term "person" occurs.

(12) "Returns" includes declarations of estimated tax required under this title.

(13) "Sales" means all gross receipts of the taxpayer.

(14) "State" means any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any

territory or possession of the United States, or any political subdivision of any of the foregoing.

(15) "Fee" or "tax" includes interest and penalties, unless the intention to give it a more limited meaning is disclosed by the context.

(16) "Federal taxable income" means, unless specifically defined otherwise in this title, income required to be reported to and subject to tax by the United States government under section 63 of the Internal Revenue Code plus any special deductions for dividends by sections 241, 243, 244, 245, 246, and 247 of the Internal Revenue Code.

(17) "Taxable year" or "tax year" means the calendar year, or the fiscal year ending during the calendar year, upon the basis of which the taxable income is computed under this title. "Taxable year" or "tax year" means, in the case of a return made for a fractional part of a year under this title, the period for which the return is made.

(18) "Taxpayer" means any corporation subject to the fee or tax imposed by this title.

PART B IMPOSITION PROVISIONS

NEW SECTION. Sec. 4. **FEE IMPOSED ON CORPORATIONS DOING BUSINESS IN THIS STATE.** Upon and after January 1, 1983, there is imposed and levied on every corporation, for the privilege of doing or conducting any business in this state as a corporation or exercising or having the privilege of exercising any corporate franchise or privilege in this state, an annual corporate privilege fee measured by ten percent of the taxable income of the corporation. The fee is in addition to the corporate privilege fees imposed by RCW 23A.32.073, 23A.32.075, 23A.40.040, and 23A.40.060 (subject to the credit provisions contained in section 25(2) of this act).

NEW SECTION. Sec. 5. **COMPENSATING TAX IMPOSED ON CORPORATIONS NOT SUBJECT TO THE PRIVILEGE FEE IMPOSED BY SECTION 4.** Upon and after January 1, 1983, for the privilege of receiving, earning or otherwise acquiring income from any source whatsoever subsequent to December 31, 1982, there is levied and imposed on every corporation not subject to the corporate privilege fee imposed by section 4 of this act, an annual compensating tax equal to ten percent of the corporation's taxable income.

NEW SECTION. Sec. 6. **INCIDENCE OF PRIVILEGE FEE.** Upon and after January 1, 1983, the corporate privilege fee imposed on corporations by section 4 of this act shall be paid by every corporation, unless expressly exempted by this title, which conducts any activity in this state for which this state can constitutionally impose any corporate privilege fee. Liability for the corporate privilege fee imposed by section 4 of this act shall commence at the time the activity is conducted in this state or the date any corporation is authorized by the corporate laws of this state to do business in this state, whichever is earlier, and shall cease only when a corporation ceases to conduct any activity in this state for which this state can constitutionally impose any corporate privilege fee or the date a corporation ceases to be qualified to do business in this state, whichever is later.

NEW SECTION. Sec. 7. **INCIDENCE OF COMPENSATING TAX.** Upon and after January 1, 1983, the compensating tax imposed by section 5 of this act shall be paid by every

corporation, not subject to the corporate privilege fee and not expressly exempt under this title, which conducts any activity in this state or derives any income from sources within or attributable to this state for which this state can constitutionally impose an income tax. Liability for the compensating tax shall commence at the time and continue for the period of time any such corporation conducts any such activity in this state or derives any such income from this state and is not also subject to the corporate privilege fee imposed by section 4 of this act on such activity or measured by such income.

PART C TAXABLE INCOME

NEW SECTION. Sec. 8. TAXABLE INCOME DEFINED. (1) "Taxable income" for the purpose of computing the corporate franchise privilege fee and the compensating tax means federal taxable income subject to the following adjustments:

(a) Add taxes on or measured by net income to the extent the taxes have been excluded or deducted from gross income in the computation of federal taxable income.

(b) Add the amount of any deduction taken under section 613A of the Internal Revenue Code.

(c) Add an amount equal to all amounts paid or accrued to the taxpayer as interest or dividends during the taxable year to the extent excluded from gross income or deducted in the computation of federal taxable income.

(d) Add in the case of a Western Hemisphere trade corporation, China Trade Act corporation, or possessions company described in section 931(a) of the Internal Revenue Code, an amount equal to the amount deducted or excluded from gross income in the computation of federal taxable income for the taxable year on account of the special deductions and exclusions (but in the case of a possessions company, net of the deductions allocable thereto) allowed these corporations under the Internal Revenue Code.

(e) Any adjustments resulting from the apportionment provisions of this title and the accounting provisions of section 26 of this act.

(2) If, for the taxable year of a corporation, there is in effect an election under section 992(b) of the Internal Revenue Code or the corporation is treated as a domestic international sales corporation as defined in section 992(a)(1) of the Internal Revenue Code, the corporation is subject to the privilege fee or compensating tax imposed by this title on its taxable income as defined and accounted for in the Internal Revenue Code for the corporation, subject to the adjustments contained in this section.

PART D APPORTIONMENT PROVISIONS

NEW SECTION. Sec. 9. ADJUSTMENTS TO TAXABLE INCOME — APPORTIONMENT RULES. (1) IN GENERAL. (a) All of the net income of any corporation which is not taxable in another state shall be apportioned to this state.

(b) Any corporation which is taxable in this state and another state shall apportion its net income as provided in this title.

(2) TAXABLE IN ANOTHER STATE. For purposes of apportionment of net income under this title, a corporation is taxable in another state if that state has jurisdiction to subject the

corporation (a) to a corporate privilege fee if the corporation is taxable under section 4 of this act, or (b) to a net income tax if the corporation is taxable under section 5 of this act.

If a corporation has not filed a net income tax return in another state for the tax year and that state imposes a net income tax, unless the corporation is expressly exempted from that state's net income tax, the corporation is deemed not to be subject to either a corporate privilege fee or net income tax in that state for that tax year.

NEW SECTION. Sec. 10. APPORTIONMENT OF NET INCOME. All net income, other than net income from transportation services and financial organizations, shall be apportioned to this state by multiplying the net income by a fraction, the numerator of which is the property factor plus the payroll factor plus the sales factor, excluding any negligible factor, and the denominator of which is three reduced by the number of negligible factors. "Negligible factor" means a factor the denominator of which is less than ten percent of one-third of the taxpayer's gross income.

NEW SECTION. Sec. 11. PROPERTY FACTOR. The property factor is a fraction, the numerator of which is the average value of the taxpayer's real and tangible personal property owned and used or rented and used in this state during the tax period, and the denominator of which is the average value of all the taxpayer's real and tangible personal property owned and used or rented and used in all states in which the taxpayer is taxable for the tax year.

NEW SECTION. Sec. 12. VALUATION OF PROPERTY — RENTED PROPERTY. Property owned by the taxpayer is valued at its original cost. Property rented by the taxpayer is valued at eight times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the taxpayer less any annual rental rate received by the taxpayer from subrentals but not less than zero.

NEW SECTION. Sec. 13. AVERAGE VALUE OF PROPERTY. The average value of property shall be determined by averaging the values at the beginning and ending of the tax period but the director may require the averaging of monthly values during the tax period if reasonably required to properly reflect the average value of the taxpayer's property.

NEW SECTION. Sec. 14. PAYROLL FACTOR. The payroll factor is a fraction, the numerator of which is the total amount paid in the state during the tax period by the taxpayer for compensation, and the denominator of which is the total compensation paid in all states in which the taxpayer is taxable for the tax year.

NEW SECTION. Sec. 15. COMPENSATION PAID WITHIN STATE. Compensation is paid in this state if:

(1) The individual's service is performed entirely within the state; or

(2) The individual's service is performed both within and without the state, but the service performed without the state is incidental to the individual's service within the state; or

(3) Some of the service is performed in the state and:

(a) The base of operations, or if there is no base of operations, the place from which the service is directed or controlled is in the state; or

(b) The base of operations or the place from which the service is directed or controlled is not in any state in which some part of the service is performed, but the individual's residence is in this state.

NEW SECTION. Sec. 16. SALES FACTOR. The sales factor is a fraction, the numerator of which is the total sales of the taxpayer in this state during the tax year, and the denominator of which is the total sales of the taxpayer in all states.

"Sales", as used in this section means all gross receipts from:

- (1) Sales of tangible personal property;
- (2) Rentals of tangible personal property;
- (3) Sales of real property held for sale in the ordinary course of a taxpayer's trade or business;
- (4) Rentals of real property; and
- (5) Sales of services.

NEW SECTION. Sec. 17. SALES OF TANGIBLE PERSONALTY, REAL PROPERTY, RENTALS, AND SERVICES WITHIN STATE. (1) Sales of tangible personal property are in this state if:

(a) The property is delivered or shipped to a purchaser, other than the United States government, within this state regardless of the f.o.b. point or other conditions of the sale; or

(b) The property is shipped from an office, store, warehouse, factory, or other place of storage in this state and (i) the purchaser is the United States government or (ii) the taxpayer is not taxable in the state of the purchaser; or

(c) The sale is made from an office located in this state to a purchaser (including the United States government) in another state in which the taxpayer is not taxable and the property is shipped to the purchaser from a state in which the taxpayer is not taxable.

(2) Sales and rentals of real property are in this state if the property is located in this state.

(3) Rentals of tangible personal property are in this state to the extent that the property is used in this state.

(4) Sales of services are in this state to the extent that the service is performed in this state.

NEW SECTION. Sec. 18. INTERSTATE TRANSPORTATION SERVICES. The taxable income of a taxpayer whose activities consist of transportation services for hire rendered partly within this state and partly within another state shall be determined under sections 19 through 22 of this act.

NEW SECTION. Sec. 19. INTERSTATE TRANSPORTATION OTHER THAN OIL OR GAS BY PIPELINE OR AIR CARRIERS—APPORTIONMENT. In the case of net income from transportation services other than that derived from the transportation service of oil or gas by pipeline or air carriers, the net income attributable to Washington sources is that portion of the net income of the taxpayer derived from transportation services wherever performed that the revenue miles of the taxpayer in Washington bear to the revenue miles of the taxpayer in all the states in which the taxpayer is taxable on the services for the tax year. A revenue mile means the transportation for a consideration of one net ton in weight or one passenger the distance of one mile. The net income attributable to Washington sources in the case of a taxpayer engaged in the transportation both of property and of individuals shall be that portion of the entire net income of the taxpayer which is equal to the average of his passenger miles and ton mile fractions, separately computed and individually weighted by the ratio of gross receipts from passenger transportation to total gross receipts from all transportation, and by the ratio of gross receipts from freight transportation to total gross receipts from all transportation, respectively.

NEW SECTION. Sec. 20. INTERSTATE TRANSPORTATION OF OIL BY PIPELINE—APPORTIONMENT. In the case of net income derived from the transportation of oil by pipeline, net income attributable to Washington shall be that portion of the net income of the taxpayer derived from the pipeline transportation of oil in all the states in which the taxpayer is taxable for the tax year that the barrel miles transported in Washington bear to the barrel miles transported by the taxpayer in all the states in which the taxpayer is taxable for the tax year.

NEW SECTION. Sec. 21. INTERSTATE TRANSPORTATION OF GAS BY PIPELINE—APPORTIONMENT. In the case of net income derived from the transportation of gas by pipeline, net income attributable to Washington shall be that portion of the net income of the taxpayer derived from the pipeline transportation of gas in all the states in which the taxpayer is taxable for the tax year that the thousand cubic feet miles transported in Washington bear to the thousand cubic feet miles transported by the taxpayer in all the states in which the taxpayer is taxable for the tax year.

NEW SECTION. Sec. 22. AIR CARRIERS—APPORTIONMENT. In the case of net income derived by a taxpayer as a carrier by aircraft, the portion of net income of the carrier attributable to Washington shall be the average of the following two percentages:

(1) The revenue tons handled by the air carrier at airports within this state for the tax year divided by the total revenue tons handled by the carrier at airports in all states in which the taxpayer is taxable for the tax year; and

(2) The air carrier's originating revenue within this state for the tax year divided by the total originating revenue of the carrier from all states in which the taxpayer is taxable for the tax year.

NEW SECTION. Sec. 23. FINANCIAL ORGANIZATIONS—APPORTIONMENT. The net income of a financial organization attributable to Washington sources shall be taken to be:

(1) In the case of net income of a taxpayer whose activities are confined solely to this state, the entire net income of the taxpayer.

(2) In the case of net income of a taxpayer who conducts activities as a financial organization partially within and partially without this state, that portion of its net income as its gross business in this state is to its gross business in all the states in which the taxpayer is taxable for the same tax year, which portion shall be determined as the sum of:

(a) Fees, commissions, or other compensation for financial services rendered within this state;

(b) Gross profits from trading in stocks, bonds, or other securities managed within this state;

(c) Interest and dividends received within this state;

(d) Interest charged to customers at places of business maintained within this state for carrying debit balances of margin accounts, without deduction of any costs incurred in carrying the accounts; and

(e) Any other gross income resulting from the operation as a financial organization within this state, divided by the aggregate amount of the items of the taxpayer in all states in which the taxpayer is taxable for the tax year.

NEW SECTION. Sec. 24. EXCEPTIONS. (1) If the apportionment provisions of this title do not fairly represent the extent of the taxpayer's activities in this state, the taxpayer may petition for or the director may require, if reasonable:

(a) The exclusion of any one or more of the factors;
(b) The inclusion of one or more additional factors or the substitution of one or more factors; or

(c) The employment of any other method to effectuate an equitable apportionment.

(2) If the apportionment provisions of this title in combination with allocation and apportionment provisions of other states in which a corporation is required to pay a tax on or measured by net income results in the apportionment or allocation of more than one hundred percent of the corporation's taxable income for the same year, the director may make any adjustment to the apportionment provisions of this title he deems will fairly represent the corporation's income attributable to this state in light of the attribution rules of other states in which the taxpayer is required to pay a tax on or measured by net income of the same tax year.

PART E CREDITS AND EXEMPTIONS

NEW SECTION. Sec. 25. (1) EXEMPTIONS. A corporation organized for any purpose set forth in RCW 24.03.015 and whose property or income does not inure directly or indirectly to the private benefit or gain of any individual or shareholder shall be exempt from the corporate privilege fee and compensating tax imposed by this title.

(2) CREDITS. The amount of any annual privilege fees paid by any corporation under RCW 23A.32.075 and 23A.40.060 is allowed as a credit against the privilege fee imposed by this title for the same taxable year.

PART F ACCOUNTING PROVISIONS

NEW SECTION. Sec. 26. COMBINED REPORTING—ADMINISTRATIVE ADJUSTMENTS. (1) In the case of a corporation liable to report under this title owning or controlling, either directly or indirectly, another corporation, or other corporations except foreign corporations, and in the case of a corporation liable to report under this title and owned or controlled, either directly or indirectly, by another corporation except a foreign corporation, the department may require a combined or consolidated report showing the combined taxable income and apportionment factors of the controlled group, except foreign corporations, and any other information it deems necessary to ascertain the taxable income of any corporation subject to either the corporate privilege fee or the compensating tax. The department may, in such manner as it may determine, assess the tax against the corporations which are liable to report under this title and whose taxable income is involved in the report upon the basis of the combined entire taxable income; or it may adjust the tax in such other manner as it determines to be equitable if it determines the adjustment is necessary to prevent evasion of fees or taxes or to reflect the income earned by the corporations from business done in this state. Direct or indirect ownership or control of more than fifty percent of the voting stock of a corporation constitutes ownership or control for purposes of this section.

(2) If two or more organizations, trades, or businesses (whether or not incorporated, whether or not organized in or having income from sources allocable to this state, and whether or not affiliated) are owned or controlled directly or

indirectly by the same interests, the department may distribute, apportion, or allocate income, deductions, credits, or allowances between or among the organizations, trades, or businesses if it determines that the distribution, apportionment, or allocation is necessary to prevent evasion of the corporate privilege fee or compensating tax imposed by this title.

NEW SECTION. Sec. 27. METHOD OF ACCOUNTING. (1) For purposes of the computation of the corporate privilege fee and compensating tax imposed under this title, a corporation's method of accounting shall be the same as the corporation's method of accounting for federal income tax purposes. If no method of accounting is regularly used by a corporation, taxable income for purposes of this title shall be computed under a method prescribed by or acceptable to the department.

(2) It is the intent of this title that taxable income for the subject taxpayer for computation of the corporate privilege fee and the compensating tax be ascertained and returned as provided in this title on the same accounting method or methods used by the taxpayer in computing his federal income tax liability.

NEW SECTION. Sec. 28. TAX RETURNS FOR PARTIAL YEAR. If the first taxable year of any corporation with respect to which a fee or tax is imposed by this title ends prior to December 31st of the calendar year, the taxable income for this fractional taxable year shall be the taxpayer's taxable income, computed in accordance with the otherwise applicable provisions of this title, for the entire taxable year, adjusted as follows:

(1) The taxable income shall be multiplied by a fraction, the numerator of which is the number of days in the fractional taxable year, and the denominator of which is the number of days in the entire taxable year; or

(2) If the taxpayer so elects, the taxable income shall be adjusted, in accordance with rules of the department, so as to include only such income and be reduced only by such deductions as are attributable to this fractional taxable year, as can be clearly determined from the permanent records of the taxpayer.

PART G ADMINISTRATIVE PROVISIONS

NEW SECTION. Sec. 29. STARTING DATE—TIME AND MANNER OF PAYMENT. (1) The corporate privilege fee and compensating tax is due and payable in reference to the taxable income, as defined by this title, which is earned, received, or otherwise acquired by any corporation subject to the fee or tax imposed by this title after December 31, 1982, for federal income tax purposes.

(2) The time and manner of payment of the fee or tax imposed by this title shall be in accordance with the Internal Revenue Code (including the provisions relating to installment payments of estimated income tax) and the regulations promulgated thereunder providing for the time and manner of the payment of the federal income tax: PROVIDED, That the department by regulation may make these modifications and exceptions to such provisions as it deems necessary to facilitate the prompt and efficient collection of the fee or tax.

(3) Regardless of any extension of time granted for filing a final federal income tax for any tax year, the corporate

privilege fee imposed by section 4 of this act shall be paid at the time the corporation files its annual report with the secretary of state or any successor officer. No corporation may be qualified to do business in this state if it is delinquent in the payment of the corporate privilege fee imposed by section 4 of this act.

NEW SECTION. Sec. 30. GENERAL ADMINISTRATIVE PROVISIONS. The general administrative provisions pertaining to the compliance, enforcement, and administration of tax laws administered by the department contained in the following sections of chapter 82.32 RCW are applicable to this title: RCW 82.32.050 (except references therein to registration), 82.32.060, 82.32.070 (except the last paragraph), 82.32.080, 82.32.090, 82.32.100 (except reference therein to registration), 82.32.105, 82.32.110, 82.32.120, 82.32.130, 82.32.140, 82.32.150, 82.32.160, 82.32.170, 82.32.190, 82.32.200, first paragraph of 82.32.210, 82.32.220, 82.32.230, 82.32.235, 82.32.240, 82.32.260, 82.32.290 (except references therein to certificates of registration), 82.32.300, 82.32.310, 82.32.320, 82.32.330, 82.32.340, 82.32.350, 82.32.360, and 82.32.380.

NEW SECTION. Sec. 31. BOARD OF TAX APPEALS—JURISDICTION. Jurisdiction is hereby conferred on the state board of tax appeals to review any claim for refund or deficiency assessment of either the corporate privilege fee or compensating tax imposed by this title. In all cases under this section:

(1) The taxpayer or the department may elect either a formal or informal hearing according to rules of practice and procedure promulgated by the board; and

(2) RCW 82.03.100 through 82.03.120, RCW 82.03.150 through 82.03.170 and RCW 82.03.190 shall apply with respect to hearings and decisions.

NEW SECTION. Sec. 32. JUDICIAL REVIEW ON APPEAL FROM BOARD. Within thirty days after the final decision of the board in a case in which it has jurisdiction and in which a formal hearing has been elected, the taxpayer or the department may appeal to the court of appeals or the state supreme court as provided by law.

NEW SECTION. Sec. 33. TAX COMPACT. To the extent that Article IV of chapter 82.56 RCW is in conflict with sections 9 through 24 of this act, the article is hereby superseded.

NEW SECTION. Sec. 34. There is added to chapter 82.04 RCW a new section to read as follows:

A corporation, as defined in section 3 of this act, which is subject to a corporate privilege fee or compensating tax under Title 82A RCW is exempt from the provisions of this chapter.

NEW SECTION. Sec. 35. There is added to chapter 82.08 RCW a new section to read as follows:

(1) The tax levied by RCW 82.08.020 shall not apply to sales of food products for human consumption.

“Food products” include cereals and cereal products, oleomargarine, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruit and fruit products, spices and salt, sugar and sugar products, coffee and coffee substitutes, tea, cocoa and cocoa products.

“Food products” include milk and milk products, milk shakes, malted milks, and any other similar type beverages which are composed at least in part of milk or a milk product and which require the use of milk or a milk product in their preparation.

“Food products” include all fruit juices, vegetable juices,

and other beverages except bottled water, spirituous, malt or vinous liquors or carbonated beverages, whether liquid or frozen.

“Food products” do not include medicines and preparations in liquid, powdered, granular, tablet, capsule, lozenge, and pill form sold as dietary supplements or adjuncts.

The exemption of “food products” provided for in this subsection shall not apply: (a) When the food products are furnished, prepared, or served for consumption at tables, chairs, or counters or from trays, glasses, dishes, or other tableware whether provided by the retailer or by a person with whom the retailer contracts to furnish, prepare, or serve food products to others, except for food products furnished as meals under a state administered nutrition program for the aged as provided for in the Older American Act (P.L. 95-478 Title III) and RCW 74.38.040(6), or (b) when the food products are ordinarily sold for immediate consumption on or near a location at which parking facilities are provided primarily for the use of patrons in consuming the products purchased at the location, even though such products are sold on a “takeout” or “to go” order and are actually packaged or wrapped and taken from the premises of the retailer, or (c) when the food products are sold for consumption within a place, the entrance to which is subject to an admission charge, except for national and state parks and monuments.

(2) Subsection (1) of this section notwithstanding, the retail sale of food products is subject to sales tax under RCW 82.08.020 if the food products are sold through a vending machine, and in this case the selling price for purposes of RCW 82.08.020 is fifty-seven percent of the gross receipts.

This subsection does not apply to hot prepared food products, other than food products which are heated after they have been dispensed from the vending machine.

For tax collected under this subsection, the requirements that the tax be collected from the buyer and that the amount of tax be stated as a separate item are waived.

NEW SECTION. Sec. 36. There is added to chapter 82.12 RCW a new section to read as follows:

The provisions of this chapter shall not apply in respect to the use of food products for human consumption.

“Food products” include cereals and cereal products, oleomargarine, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruit and fruit products, spices and salt, sugar and sugar products, coffee and coffee substitutes, tea, cocoa and cocoa products.

“Food products” include milk and milk products, milk shakes, malted milks, and any other similar type beverages which are composed at least in part of milk or a milk product and which require the use of milk or a milk product in their preparation.

“Food products” include all fruit juices, vegetable juices, and other beverages except bottled water, spirituous, malt or vinous liquors or carbonated beverages, whether liquid or frozen.

“Food products” do not include medicines and preparations in liquid, powdered, granular, tablet, capsule, lozenge, and pill form sold as dietary supplements or adjuncts.

The exemption of “food products” provided for in this paragraph shall not apply: (a) When the food products are furnished, prepared, or served for consumption at tables,

chairs, or counters or from trays, glasses, dishes, or other tableware whether provided by the retailer or by a person with whom the retailer contracts to furnish, prepare, or serve food products to others, except for food products furnished as meals under a state administered nutrition program for the aged as provided for in the Older American Act (P.L. 95-478 Title III) and RCW 74.38.040(6), or (b) when the food products are ordinarily sold for immediate consumption on or near a location at which parking facilities are provided primarily for the use of patrons in consuming the products purchased at the location, even though such products are sold on a "takeout" or "to go" order and are actually packaged or wrapped and taken from the premises of the retailer, or (c) when the food products are sold for consumption within a place, the entrance to which is subject to an admission charge, except for national and state parks and monuments.

NEW SECTION. Sec. 37. The following acts or parts of acts are each repealed:

(1) Section 28, chapter . . . (SB 4250), Laws of 1982 1st ex. sess. and RCW 82.08. . . ;

(2) Section 29, chapter . . . (SB 4250), Laws of 1982 1st ex. sess. and RCW 82.12. . . ;

(3) Section 33, chapter . . . (SB 4250), Laws of 1982 1st ex. sess. and RCW 82.08. . . ; and

(4) Section 34, chapter . . . (SB 4250), Laws of 1982 1st ex. sess. and RCW 82.12. . .

NEW SECTION. Sec. 38. Section headings and captions included in this act do not constitute any part of the law.

NEW SECTION. Sec. 39. Sections 1 through 33 of this act shall be codified as a new title in the Revised Code of Washington, to be numbered Title 82A.

NEW SECTION. Sec. 40. The people believe that the changes contained in this initiative constitute a single integrated plan for a balanced revision of the tax structure for state government. In the event this initiative is found violative of Article II, section 19 of the Washington state Constitution, this initiative shall be void in its entirety and shall be of no further force and effect.

NEW SECTION. Sec. 41. If approved by the voters at the November, 1982 general election, this act shall take effect on January 1, 1983, except sections 35 through 37 of this act shall take effect on February 1, 1983.



COMPLETE TEXT OF Senate Joint Resolution 143

BE IT RESOLVED, BY THE SENATE AND HOUSE OF REPRESENTATIVES OF THE STATE OF WASHINGTON, IN LEGISLATIVE SESSION ASSEMBLED:

THAT, At the next general election to be held in this state there shall be submitted to the qualified voters of the state for their approval and ratification, or rejection, an amendment to Article VII of the state Constitution by adding a new section to read as follows:

Article VII, section . . . Notwithstanding any provision of this Constitution, the legislature may by general law authorize the legislative authority of any county, city, or town to create boundaries in urban areas, within its jurisdiction, containing only that real property which is determined will be increased in

true and fair value by reason of specified public improvements to redevelop areas within those boundaries, and may provide that all or a portion of the ad valorem taxes levied within those boundaries against increases in the true and fair value of such real property may be used to pay for the specified public improvements or to pay public obligations incurred to fund the specified public improvements. Public obligations incurred for these public improvements and payable solely from revenues from these public improvements and such ad valorem taxes levied against the increases in real property value shall not constitute general indebtedness.

For the purposes of this section, "ad valorem taxes" means:

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

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

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

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

Nothing in this section authorizes a county, city, or town to pledge all or part of its full faith and credit or any other tax revenues without complying with the laws relating to the incurring of general indebtedness, including Article VIII, section 1 and Article VIII, section 6, or to aggregate tax levies in excess of the limitation on levies in section 2 of this Article: PROVIDED, That no bonds that constitute general indebtedness and which use the funding mechanism contained in this section shall be issued to fund all or a portion of such specified public improvements unless a public hearing on the issue of such bonds is held prior to the time boundaries are created pursuant to this section. The notice for such a public hearing shall include: (1) A statement that the county, city, or town must pledge its full faith and credit toward the payment of any general indebtedness which uses the funding mechanism contained in the section; (2) A statement that in the absence of sufficient revenues under this funding mechanism, the debt service must be made from then existing taxes or other revenues, which may result in an increase in taxes or reduction in existing programs; and (3) An estimate of the dollar amount of debt service on such bonds per year, and an estimate of the total principal and interest payments required for the full term of the bonds. The use of the funding mechanism contained in this section to pay principal and interest on general indebtedness, which is not required to be approved by the voters pursuant to Article VIII, section 6, shall be subject to potential referendum approval by simple majority vote of the voters of the county, city, or town.

After the initial adoption of a law by the legislature authorizing the use of ad valorem taxes levied against increases in the true and fair value of real property to finance specified public improvements, no amendment to such act which expands the nature of the areas within which ad valorem taxes levied against increases in the true and fair value of real property may be used to finance specified public

improvements, or adds to the purposes and types of public improvements that may be financed with such revenues, or reduces the requirements which must be met if public obligations are incurred to fund the specified public improvements, shall be valid unless the amendment is enacted by a favorable vote of three-fifths of the members elected to each house of the legislature and is subject to referendum petition.

BE IT FURTHER RESOLVED, That the secretary of state shall cause notice of the foregoing constitutional amendment to be published at least four times during the four weeks next preceding the election in every legal newspaper in the state.

SPECIAL NOTE: The following is the complete text of Chapter 42, Laws of 1982, First Extraordinary Session. Although this measure will *not* be voted upon at the state general election on November 2, it contains the implementing statutes for Senate Joint Resolution 143 and will become effective if that proposed constitutional amendment is approved by a majority of the voters. The text of this law is included to facilitate each voter's understanding of the effect of the adoption of that proposed amendment to the state constitution.

AN ACT Relating to public improvements financing; adding a new chapter to Title 39 RCW; and adding a new section to chapter 84.55 RCW.

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

NEW SECTION. Section 1. **SHORT TITLE.** This chapter may be known and cited as the Community Redevelopment Financing Act of 1982.

NEW SECTION. Sec. 2. **DECLARATION.** It is declared to be the public policy of the state of Washington to promote and facilitate the orderly development and economic stability of its urban areas. The provision of adequate government services and the creation of employment opportunities for the citizens within urban areas depends upon the economic growth and the strength of their tax base. The construction of necessary public improvements in accordance with local community planning will encourage investment in job-producing private development and will expand the public tax base.

It is the purpose of this chapter to allocate a portion of regular property taxes for limited periods of time to assist in the financing of public improvements which are needed to encourage private development of urban areas; to prevent or arrest the decay of urban areas due to the inability of existing financing methods to provide needed public improvements; to encourage local taxing districts to cooperate in the allocation of future tax revenues arising in urban areas in order to facilitate the long-term growth of their common tax base; and to encourage private investment within urban areas.

NEW SECTION. Sec. 3. **DEFINITIONS.** As used in this chapter the following terms have the following meanings unless a different meaning is clearly indicated by the context:

(1) "Apportionment district" means the geographic area, within an urban area, from which regular property taxes are to be apportioned to finance a public improvement contained therein.

(2) "Assessed value of real property" means the valuation of real property as placed on the last completed assessment roll of the county.

(3) "City" means any city or town.

(4) "Ordinance" means any appropriate method of taking

a legislative action by a county or city, whether known as a statute, resolution, ordinance, or otherwise.

(5) "Public improvement" means an undertaking to provide public facilities in an urban area which the sponsor has authority to provide.

(6) "Public improvement costs" means the costs of design, planning, acquisition, site preparation, construction, reconstruction, rehabilitation, improvement, and installation of the public improvement; costs of relocation, maintenance, and operation of property pending construction of the public improvement; costs of utilities relocated as a result of the public improvement; costs of financing, including interest during construction, legal and other professional services, taxes, and insurance; costs incurred by the assessor to revalue real property for the purpose of determining the tax allocation base value that are in excess of costs incurred by the assessor in accordance with his revaluation plan under chapter 84.41 RCW, and the costs of apportioning the taxes and complying with this chapter and other applicable law; and administrative costs reasonably necessary and related to these costs. These costs may include costs incurred prior to the adoption of the public improvement ordinance, but subsequent to the effective date of this act.

(7) "Public improvement ordinance" means the ordinance passed under section 5(4) of this act.

(8) "Regular property taxes" means regular property taxes as now or hereafter defined in RCW 84.04.140, except regular property taxes levied by port districts or public utility districts specifically for the purpose of making required payments of principal and interest on general indebtedness.

(9) "Sponsor" means any county or city initiating and undertaking a public improvement.

(10) "Tax allocation base value of real property" means the true and fair value of real property within an apportionment district for the year in which the apportionment district was established.

(11) "Tax allocation bonds" means any bonds, notes, or other obligations issued by a sponsor pursuant to section 10 of this act.

(12) "Tax allocation revenues" means those tax revenues allocated to a sponsor under section 8(1)(b) of this act.

(13) "Taxing districts" means any governmental entity which levies or has levied for it regular property taxes upon real property located within a proposed or approved apportionment district.

(14) "Value of taxable property" means value of taxable property as defined in RCW 39.36.015.

(15) "Urban area" means an area in a city or located outside of a city that is characterized by intensive use of the land for the location of structures and receiving such urban services as sewers, water, and other public utilities and services normally associated with urbanized areas. Not more than twenty-five percent of the area within the urban area proposed apportionment district may be vacant land.

NEW SECTION. Sec. 4. **AUTHORITY—LIMITATIONS.** (1) Only public improvements which are determined by the legislative authority of the sponsor to meet the following criteria are eligible to be financed under this chapter:

(a) The public improvement is located within an urban area;

(b) The public improvement will encourage private development within the apportionment district;

(c) The public improvement will increase the fair market value of the real property located within the apportionment district;

(d) The private development which is anticipated to occur within the apportionment district as a result of the public improvement is consistent with an existing comprehensive land use plan and approved growth policies of the jurisdiction within which it is located;

(e) A public improvement located within a city has been approved by the legislative authority of such city; and

(f) A public improvement located within an urban area in an unincorporated area has been approved by the legislative authority of the county within whose boundaries the area lies.

(2) Apportionment of regular property tax revenues to finance the public improvements is subject to the following limitations:

(a) No apportionment of regular property tax revenues may take place within a previously established apportionment district where regular property taxes are still apportioned to finance public improvements without the concurrence of the sponsor which established the district;

(b) No apportionment district may be established which includes any geographic area included within a previously established apportionment district which has outstanding bonds payable in whole or in part from tax allocation revenues;

(c) The total amount of outstanding bonds payable in whole or in part from tax allocation revenues arising from property located within a city shall not exceed two percent of the value of taxable property within the city, and the total amount of outstanding bonds payable in whole or in part from tax allocation revenues arising from property located within the unincorporated areas of a county shall not exceed two percent of the value of taxable property within the entire unincorporated area of the county; and

(d) No taxes other than regular property taxes may be apportioned under this chapter.

(3) Public improvements may be undertaken and coordinated with other programs or efforts undertaken by the sponsor or others and maybe funded in whole or in part from sources other than those provided by this chapter.

NEW SECTION. Sec. 5. PROCEDURE FOR ADOPTION OF PUBLIC IMPROVEMENT. Public improvements funded by tax allocation revenues may only be located within an urban area. In order to secure an allocation of regular property taxes to finance a public improvement, a sponsor shall:

(1) Propose by ordinance a plan for the public improvement which includes a description of the contemplated public improvement, the estimated cost thereof, the boundaries of the apportionment district, the estimated period during which tax revenue apportionment is contemplated, and the ways in which the sponsor plans to use tax allocation revenues to finance the public improvement, and which sets at least three public hearings thereon before the legislative authority of the sponsor or a committee thereof: PROVIDED, That public hearings for the public improvement that is undertaken in combination or coordination by two or more sponsors may be held jointly; and public hearings, held before the legislative authority or a committee of a majority thereof may be combined with public hearings held for other purposes;

(2) At least fifteen days in advance of the hearing:

(a) Deliver notice of the hearing to all taxing districts, the county treasurer, and the county assessor, which notice includes a map or drawing showing the location of the contemplated public improvement and the boundaries of the proposed apportionment district, a brief description of the public improvement, the estimated cost thereof, the anticipated increase in property values within the apportionment district, the location of the sponsor's principal business office where it will maintain information concerning the public improvement for public inspection, and the date and place of hearing; and

(b) Post notice in at least six public places located in the proposed apportionment district and publish notice in a legal newspaper of general circulation within the sponsor's jurisdiction briefly describing the public improvement, the proposed apportionment, the boundaries of the proposed apportionment district, the location where additional information concerning the public improvement may be inspected, and the date and place of hearing;

(3) At the time and place fixed for the hearing under subsection (1) of this section, and at such times to which the hearing may be adjourned, receive and consider all statements and materials as may be submitted, and objections and letters filed before or within ten days thereafter;

(4) Within one hundred twenty days after completion of the public hearings, pass an ordinance establishing the apportionment district and authorizing the proposed public improvement, including any modifications which in the sponsor's opinion the hearings indicated should be made, which includes the boundaries of the apportionment district, a description of the public improvement, the estimated cost thereof, the portion of the estimated cost thereof to be reimbursed from tax allocation revenues, the estimated time during which regular property taxes are to be apportioned, the date upon which apportionment of the regular property taxes will commence, and a finding that the public improvement meets the conditions of section 4 of this act.

NEW SECTION. Sec. 6. NOTICE OF PUBLIC IMPROVEMENT. Within fifteen days after enactment of the public improvement ordinance, the sponsor shall publish notice in a legal newspaper circulated within the designated apportionment district summarizing the final public improvement, including a brief description of the public improvement, the boundaries of the apportionment district, and the location where the public improvement ordinance and any other information concerning the public improvement may be inspected.

Within fifteen days after enactment of the public improvement ordinance, the sponsor shall deliver a certified copy thereof to each taxing district, the county treasurer, and the county assessor.

NEW SECTION. Sec. 7. DISAGREEMENTS BETWEEN TAXING DISTRICTS. (1) Any taxing district that objects to the apportionment district, the duration of the apportionment, the manner of apportionment, or the propriety of cost items established by the public improvement ordinance of the sponsor may, within thirty days after receipt of the ordinance, petition for review thereof by the state board of tax appeals. The state board of tax appeals shall meet within a reasonable time, hear all the evidence presented by the parties on matters in dispute,

and determine the issues upon the evidence as may be presented to it at the hearing. The board may approve or deny the public improvement ordinance as enacted or may grant approval conditioned upon modification of the ordinance by the sponsor. The decision by the state board of tax appeals shall be final and conclusive but shall not preclude modification or discontinuation of the public improvement.

(2) If the sponsor modifies the public improvement ordinance as directed by the board, the public improvement ordinance shall be effective without further hearings or findings and shall not be subject to any further appeal. If the sponsor modifies the public improvement ordinance in a manner other than as directed by the board, the public improvement ordinance shall be subject to the procedures established pursuant to sections 5 and 6 of this act.

NEW SECTION. Sec. 8. APPORTIONMENT OF TAXES. (1) Upon the date established in the public improvement ordinance, but not sooner than the first day of the calendar year following the passage of the ordinance, the regular property taxes levied upon the assessed value of real property within the apportionment district shall be divided as follows:

(a) That portion of the regular property taxes produced by the rate of tax levied each year by or for each of the taxing districts upon the tax allocation base value of real property, or upon the assessed value of real property in each year, whichever is smaller, shall be allocated to and paid to the respective taxing districts; and

(b) That portion of the regular property taxes levied each year by or for each of the taxing districts upon the assessed value of real property within an apportionment district which is in excess of the tax allocation base value of real property shall be allocated and paid to the sponsor, or the sponsor's designated agent, until all public improvement costs to be paid from the tax allocation revenues have been paid, except that the sponsor may agree to receive less than the full amount of such portion as long as bond debt service, reserve, and other bond covenant requirements are satisfied, in which case the balance of the taxes shall be allocated to the respective taxing districts as the sponsor and the taxing districts may agree.

(2) The county assessor shall revalue the real property within the apportionment district for the purpose of determining the tax allocation base value for the apportionment district and shall certify to the sponsor the tax allocation base value as soon as practicable after the assessor receives notice of the public improvement ordinance and shall certify to the sponsor the total assessed value of real property within thirty days after the property values for each succeeding year have been established, except that the assessed value of state-assessed real property within the apportionment district shall be certified as soon as the values are provided to the assessor by the department of revenue. Nothing in this section authorizes revaluations of real property by the assessor for property taxation that are not made in accordance with the assessor's revaluation plan under chapter 84.41 RCW.

(3) The date upon which the apportionment district was established shall be considered the date upon which the public improvement ordinance was enacted by the sponsor.

(4) The apportionment of regular property taxes under this section shall cease when tax allocation revenues are no longer necessary or obligated to pay public improvement costs or to pay principal of and interest on bonds issued to finance public

improvement costs and payable in whole or in part from tax allocation revenues. At the time of termination of the apportionment, any excess money and any earnings thereon held by the sponsor shall be returned to the county treasurer and distributed to the taxing districts which were subject to the allocation in proportion to their regular property tax levies due for the year in which the funds are returned.

NEW SECTION. Sec. 9. APPLICATION OF TAX ALLOCATION REVENUES. Tax allocation revenues may be applied as follows:

(1) To pay public improvement costs;

(2) To pay principal of and interest on, and to fund any necessary reserves for, tax allocation bonds;

(3) To pay into bond funds established to pay the principal of and interest on general obligation bonds issued pursuant to law to finance public facilities that are specified in the public improvement ordinance and constructed following the establishment of and within the apportionment district; or

(4) To pay any combination of the foregoing.

NEW SECTION. Sec. 10. GENERAL OBLIGATION BONDS. General obligation bonds which are issued to finance public facilities that are specified in the public improvement ordinance, and for which part or all of the principal or interest is paid by tax allocation revenues, shall be subject to the following requirements:

(1) The intent to issue such bonds and the maximum amount which the sponsor contemplates issuing are specified in the public improvement ordinance; and

(2) A statement of the intent of the sponsor to issue such bonds is included in all notices required by sections 5 and 6 of this act.

In addition, the ordinance or resolution authorizing the issuance of such general obligation bonds shall be subject to potential referendum approval by the voters of the issuing entity when the bonds are part of the non-voter approved indebtedness limitation established pursuant to RCW 39.36.020. If the voters of the county or city issuing such bonds otherwise possess the general power of referendum on county or city matters, the ordinance or resolution shall be subject to that procedure. If the voters of the county or city issuing such bonds do not otherwise possess the general power of referendum on county or city matters, the referendum shall conform to the requirements and procedures for referendum petitions provided for code cities in RCW 35A.11.100.

NEW SECTION. Sec. 11. TAX ALLOCATION BONDS. (1) A sponsor may issue such tax allocation bonds as it may deem appropriate for the financing of public improvement costs and a reasonable bond reserve and for the refunding of any outstanding tax allocation bonds.

(2) The principal and interest of tax allocation bonds may be made payable from:

(a) Tax allocation revenues;

(b) Project revenues which may include (i) nontax income, revenues, fees, and rents from the public improvement financed with the proceeds of the bonds, or portions thereof, and (ii) contributions, grants, and nontax money available to the sponsor for payment of costs of the public improvement or the debt service of the bonds issued therefor;

(c) Any combination of the foregoing.

(3) Tax allocation bonds shall not be the general obligation

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

(4) The terms and conditions of tax allocation bonds may include provisions for the following matters, among others:

(a) The date of issuance, maturity date or dates, denominations, form, series, negotiability, registration, rank or priority, place of payment, interest rate or rates which may be fixed or may vary over the life of the tax allocation bonds, bond reserve, coverage, and such other terms related to repayment of the tax allocation bonds;

(b) The application of tax allocation bond proceeds; the use, sale, or disposition of property acquired; consideration or rents and fees to be charged in the sale or lease of property acquired; consideration or rents and fees to be charged in the sale or lease of property within a public improvement; the application of rents, fees, and revenues within a public improvement; the maintenance, insurance, and replacement of property within a public improvement; other encumbrances, if any, upon all or part of property within a public improvement, then existing or thereafter acquired; and the type of debts that may be incurred;

(c) The creation of special funds; the money to be so applied; and the use and disposition of the money;

(d) The securing of the tax allocation bonds by a pledge of property and property rights, by assignment of income generated by the public improvement, or by pledging such additional specifically described resources other than tax revenues as are available to the sponsor;

(e) The terms and conditions for redemption;

(f) The replacement of lost and destroyed bond instruments;

(g) Procedures for amendment of the terms and conditions of the tax allocation bonds;

(h) The powers of a trustee to enforce covenants and take other actions in event of default; the rights, liabilities, powers, and duties arising upon the breach of any covenant, condition, or obligation; and

(i) When consistent with the terms of this chapter, such other terms, conditions, and provisions which may make the tax allocation bonds more marketable and further the purposes of this chapter.

(5) Tax allocation bonds may be issued and sold in such manner as the legislative authority of the sponsor shall determine.

(6) The sponsor may also issue or incur obligations in anticipation of the receipt of tax allocation bond proceeds or other money available to pay public improvement costs.

NEW SECTION. Sec. 12. There is added to chapter 84.55 RCW a new section to read as follows:

ADJUSTMENT TO TAX LIMITATION. Pursuant to chapter 39, . . . RCW (sections 1 through 10 and 12 through 15 of this act), any increase in the assessed value of real property within an apportionment district resulting from new construction, improvements to property, or any increase in the assessed value of state-assessed property shall not be included in the increase in assessed value resulting from new construction, improvements, or any increase in the assessed value of state-assessed property for purposes of calculating any limitations

upon regular property taxes under this chapter until the termination of apportionment as set forth in section 8(4) of this act, as now or hereafter amended, except to the extent a taxing district actually will receive the taxes levied upon this value. Tax allocation revenues, as defined in section 3 of this act, as now or hereafter amended, shall not be deemed to be "regular property taxes" for purposes of this chapter.

NEW SECTION. Sec. 13. **LEGAL INVESTMENTS.** Tax allocation bonds authorized in this chapter shall be legal investments for any of the funds of the state and of municipal corporations, for trustees, and for other fiduciaries.

NEW SECTION. Sec. 14. **NOTICE TO STATE.** Whenever notice is required to be given to the state, notice shall be given to the director of revenue.

NEW SECTION. Sec. 15. **CONCLUSIVE PRESUMPTION OF VALIDITY.** No direct or collateral attack on any public improvement, public improvement ordinance, or apportionment district purported to be authorized or created in conformance with applicable legal requirements, including the requirements of this chapter, may be commenced more than thirty days after publication of notice as required by section 6 of this act.

NEW SECTION. Sec. 16. **SUPPLEMENTAL NATURE OF CHAPTER.** This chapter supplements and neither restricts nor limits any powers which the state or any municipal corporation might otherwise have under any laws of this state.

NEW SECTION. Sec. 17. **CAPTIONS NOT PART OF LAW.** As used in this act, captions constitute no part of the law.

NEW SECTION. Sec. 18. **SEVERABILITY.** 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.

NEW SECTION. Sec. 19. Sections 1 through 10 and 12 through 15 of this act shall constitute a new chapter in Title 39 RCW.

Conclusion of explanatory statement on Initiative Measure 412

The maximum annual interest rate for purchases made on a revolving charge agreement, or on a credit card, would be 1% above the federal discount rate on 90-day commercial paper, or 12% (both of which would be computed on outstanding unpaid balances), or \$12.00, whichever is the greater. This would be true even though the issuer of the credit card was not engaged regularly in the sale of goods or services.

If approved into law, Initiative 412 would also subject all other personal loans made by state-chartered savings banks, mutual savings banks, and savings and loan associations, as well as federally chartered savings and loan associations, to the general state usury limit of 4% above the equivalent coupon issue yield for 26-week Treasury Bills at the first bill auction of the preceding month, or 12%, whichever is higher.

Initiative 412 would not affect the federally imposed maximum interest rates on most residential mortgage loans, which apply regardless of the maker of such loan, nor would it affect the maximum rate which may be charged by federal credit unions. State-chartered credit unions would continue to be able to charge the same rates as federally chartered credit unions except on retail installment and credit card transactions.

Finally, the provisions of federal law which limit the rate which may be charged on loans by national banks would not be altered by the passage of Initiative 412—however, the applicable state law rates incorporated within that provision would be changed with respect to retail installment and credit card transactions as discussed above.

Conclusion of explanatory statement on Senate Joint Resolution 143

public improvements; such indebtedness will be subject to the limitations of existing law, including voter approval when required to exceed existing debt limitations. The amendment also requires notice and opportunity for public hearing on any proposal to utilize such general indebtedness. Further, if voter approval is not otherwise required by the Constitution, the amendment would permit the use of a referendum on any such proposal.

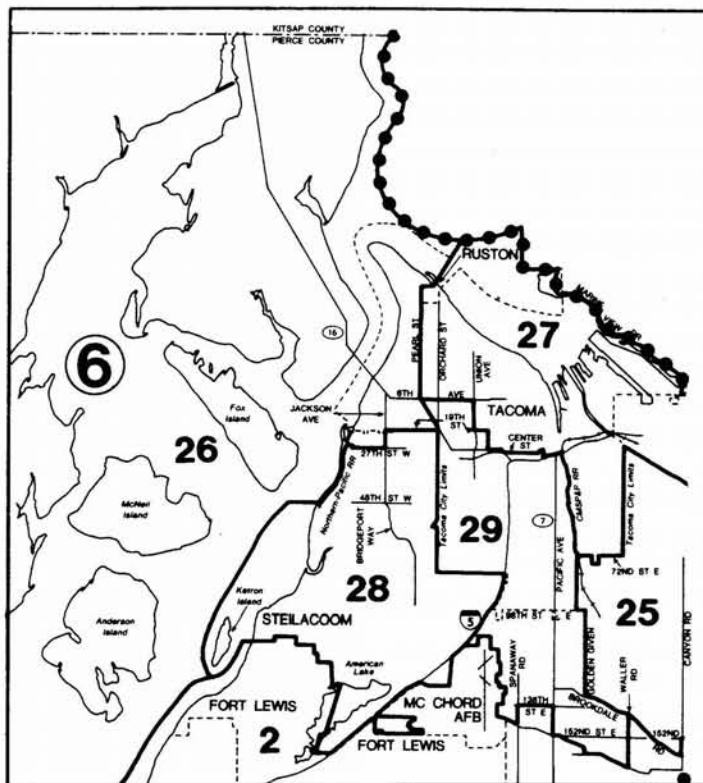
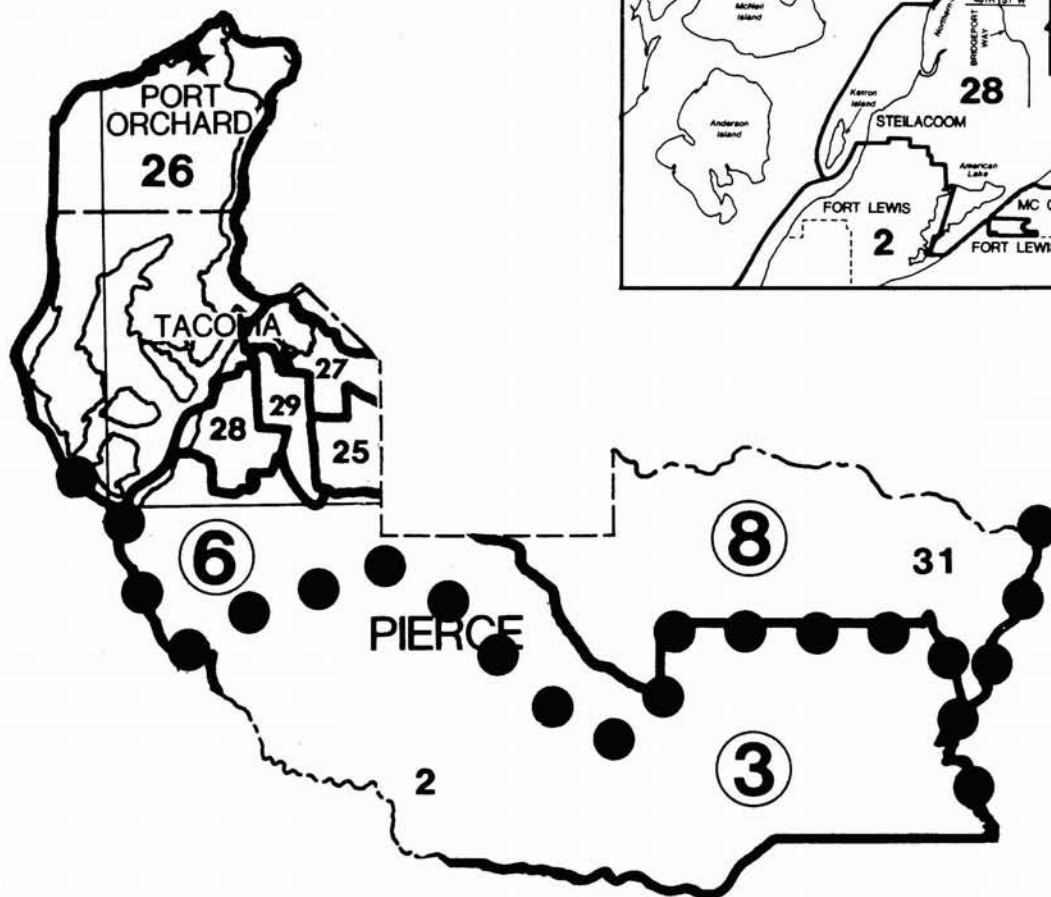
The legislature earlier this year passed and the Governor signed into law Chapter 42, Laws of 1982, 1st Ex. Sess., the "Community Redevelopment Financing Act of 1982", to implement the provisions of this proposed amendment, should it be approved by the voters at the forthcoming general election. Any subsequent changes in the law aimed at enlarging the nature of public improvements, or their locations, which may utilize the tax financing of such projects through the use of increased property values will require a favorable vote of three-fifths of the members of each house of the legislature and be further subject to approval of the voters by referendum.

CANDIDATES PAMPHLET

General Election, Tuesday, November 2, 1982

LEGEND

- LEGISLATIVE DISTRICT ——— 2
- CONGRESSIONAL DISTRICT ●●● (2)
- COUNTY LINE - - - - -



EDITION 5



United States Senator



**Doug
JEWETT**
Republican

Doug Jewett has spent his professional career serving the needs of the people of Washington. First as King County Deputy Prosecutor, then as an attorney in private practice, and since 1977 as Seattle's elected City Attorney. Re-elected without opposition in 1981, he supervises a staff of 70, while administering a multi-million dollar budget.



**Henry M.
JACKSON**
Democrat

Few men or women in public life today have worked as hard to improve the lives of everyday Americans as Henry M. Jackson.

As a United States Senator, Jackson has demonstrated a unique ability to serve individuals, families, business, their communities and the nation as a whole.

He has helped bring new industry and jobs to Washington state, but at the same time works to protect and improve our quality of life

He will bring the same leadership qualities to the Senate as he has demonstrated in the state's third largest public law office. He initiated a precedent-setting program for dealing with domestic violence that serves as a national model. His leadership role in taking drunk drivers off our highways was instrumental in securing tougher drunk driving laws.

Unlike Henry Jackson, Doug Jewett advocates a Constitutional Amendment requiring a balanced budget. All of us are required to live within our means—the federal government must do the same. Our businesses can only create the new jobs we need if they can obtain capital at affordable interest rates. Doug Jewett will show the self-discipline necessary to curb federal spending and promote the private sector.

Doug Jewett supports an immediate, bilateral and verifiable nuclear weapons freeze at current levels, to be negotiated by the President while START talks continue. Henry Jackson has been the leading Hawk in the United States Senate for thirty years, and advocates costly and dangerous first-strike weapon systems such as the MX missile. Doug Jewett will ask the tough questions to assure a strong, efficient defense.

Doug Jewett believes that our greatest weapon is a strong, free enterprise economy, both for the welfare of our citizens and for influencing our relations with friends and adversaries abroad. He has proven that he knows how to deal with the critical issues facing our nation.

in the Pacific Northwest by creating new recreational opportunities and by sponsoring necessary public works projects.

This year, as chairman of the Senate Democratic Housing Task Force, Jackson led a bipartisan effort to help bring about economic recovery by sparking home building. His proposal to cut interest rates for the purchase of 300,000 new single family homes won overwhelming approval in the House and Senate, but was vetoed by the President.

At the same time, Jackson led the fight to save taxpayers more than \$7 billion in unnecessary defense spending — more than enough to finance his national housing program — by substituting Boeing 747's for the more costly, less efficient C-5 transport planes.

Jackson has championed the causes of senior citizens, the sick and handicapped, the poorly trained and the unemployed. He feels so strongly about education that every dollar of his outside speech income is donated to college scholarships and charity — more than \$200,000 in just the last six years.

Washington's senior Senator has been honored by many state, national and international groups for accomplishments ranging from conservation to human rights. He is respected and admired for his common sense, hard work, and honesty.

But the honor Jackson prizes most is the personal respect and support he has earned from the people of his home state of Washington.



**King
LYSEN**
Independent Candidate

King Lysen, 40, has served in the State Senate and House for twelve years as a Democrat, successfully winning five Legislative elections.

The first public official to expose WPPSS wasteful cost overruns, Lysen is calling for renegotiation or invalidation of WPPSS contracts. His leadership inspired citizen control over utilities, prohibition of super tankers on Puget Sound, campaign disclosure and the open meetings

law. He co-sponsored the current initiative to remove the sales tax on food, and sponsored a Washington State Senate resolution for a bilateral and verifiable freeze of the nuclear arms race. As a result of Lysen's legislative investigation, a Federal Grand Jury is currently investigating the scandal involving our new ferries. Lysen has consistently supported working families and environmental protection. He favors retooling our economy and revitalizing our fishing and timber industries to increase productivity, put people back to work, lower inflation and again make America competitive in the industrialized world. Lysen calls for transferring monies from the massive nuclear arms build-up to programs in the domestic and private sectors including stabilizing the Social Security System. Internationally, Lysen maintains the U.S. should support only governments which follow human rights principles inherent in our Constitution.

King Lysen believes it is time for Henry Jackson to come home! During 42 years in Washington D.C., Jackson has voted for 30,000 nuclear warheads, the unprecedented federal deficit, wasteful pork barrel projects and the confirmation of James Watt. Jackson was absent during the ERA vote and voted "no" on its extension this year. He has allowed the devastation of our fishing resources. His campaign has received more than \$1 million in out of state monies.

Seattle University graduate King Lysen has worked as a teacher, a fisherman and in real estate. He resides in Burien with his wife Toni and their five children.



**Jesse
CHIANG**
Independent Candidate

Jesse Chiang, a Washington state resident over thirty years, with a M.A. and Ph.D. in political science from the University of Washington, has taught for over twenty years. He held membership in the National Political Science Honorary and is a founder of the Union of Concerned Educators.

Dr. Chiang's interests include world hunger, ecology, physical fitness, arts, and humanities. He is a long-time advocate for arms

control. Extensive study of American Government and foreign affairs, his vision and compassion, will bring to the Senate leadership qualities for the nation and the world.

Peace and the economy are two inseparable and urgent issues. We are threatened with both extinction and bankruptcy by huge military spending and a policy of fighting and winning a nuclear war. The paradox of deep cuts and huge deficits lies in stupendous military spending (the 1.5 trillion projected for the next five years will further escalate the deficit). Deficit spending and high interest rates are causing inflation, unemployment, bankruptcies and widespread hardship. This is not economic recovery, but economic ruin. We need a new direction for our time.

Jesse Chiang is for strong national defense, but opposed to overkill, cost overrun, wastefulness and military inter-service rivalry. A mutual, verifiable, nuclear weapons freeze could save billions. A freeze is the first realistic step to mutual disarmament. Citizens must not be misled by anti-freeze resolutions advocating arms build-up now and freeze later, or by freeze opportunists. Freeze is the key to peace and economic recovery; it should be placed above petty party politics. Citizens, think and act independently for the love of country and life!

Jesse Chiang is for equal rights, strengthening Environmental Protection Agency, upholding social security and adequate education, farmland preservation, and solar energy development. Chiang opposes "new federalism", social injustice, discrimination against women, minorities and elderly people.



United States Representative

Third Congressional District



**J.T.
QUIGG**
Republican

Who is Senator J.T. Quigg? Senator Quigg was born in Southwest Washington and worked all his life in the construction business. J.T. has a strong business background, and because of this he has been endorsed by several small business organizations.

What has Quigg done to put people back to work? As chairman

of the Washington State Senate Commerce and Labor Committee, J.T. pushed through legislation to expand our ports, clean up Mount St. Helens, revitalize our downtown areas, and save small timber companies from bankruptcy. This translates into jobs throughout our area. J.T. sponsored a law extending unemployment benefits to those who were out of work for more than nine months.

What's J.T. Quigg's number 1 priority? Jobs. There isn't any issue as important as finding jobs for our unemployed neighbors.

How can J.T. create more jobs? By lowering interest rates, cutting the deficit, and attracting new business to our state. J.T. supports a constitutional amendment to balance the budget. He's worked to develop tourism, trade and high technology training programs.

Why are voters switching to Quigg? Because people like President Ford, Governor Evans and Senator Gorton believe our area needs J.T. Voters are switching to Quigg because he represents a new direction and a bright future.

J.T. wants to balance the budget, which will lower interest rates and help families buy homes. Mr. Bonker opposes a balanced budget.

J.T. works for our area. He has one of the highest attendance records in the Washington State Senate. Mr. Bonker has one of the lowest in Congress. J.T. Quigg works to develop the potential of our area. After eight years, the incumbent spends most of his time on foreign problems.

Voters are switching to Quigg, because we all know it's time for a change. It's time we put people back to work.



**Donald L.
BONKER**
Democrat

Currently serving his fourth term, Congressman Don Bonker has worked tirelessly to revitalize the economy of Southwest Washington.

Recognizing the need for economic diversification and new markets for Northwest products, Congressman Bonker has quickly become a national leader in export trade. As Chairman of the House Export Task Force and a member of the President's Export Council, Bonker won Congressional passage of his export trading company bill, which will create up to 600,000 new jobs.

To assist the Northwest's hard-hit wood products industry, Congressman Bonker supported a bipartisan housing stimulus bill, which was vetoed by President Reagan, and has consistently pressed the Federal Reserve Board to lower interest rates and stabilize monetary policy.

Thanks to legislation introduced by Congressman Bonker, the Third District's most famous landmark is now officially designated as the Mount St. Helens National Volcanic Monument. His work to bring together opposing interests has been hailed as a "remarkable achievement." Bonker's bill will promote tourism and economic diversification, create jobs, and preserve this unique area for future generations.

Congressman Bonker was one of the first to call for closure of the Satsop nuclear plants in February, 1979. His amendments to the Northwest Regional Power Act strengthen public participation in regional energy planning, protect vital fish resources, and ensure full utilization of conservation and energy alternatives.

Congressman Bonker worked to protect Columbia River fish runs and revitalize the sport and commercial fishing so important to our coastal communities. He won passage of comprehensive legislation to enhance our steelhead and salmon resource, and has fought the Reagan Administration's refusal to implement this vital program.

Congressman Bonker works hard to stay in touch. He holds hundreds of district meetings, answers correspondence promptly, reports regularly on Congressional actions, and maintains a competent and caring staff to assist his constituents.

United States Representative

Third Congressional District



**O'Dean
WILLIAMSON**
Independent Candidate

O'Dean Williamson, a newcomer on the national political scene, has devoted 28 of his 51 years to service to the United States. Nine of those years serving in the U.S. Navy, the remainder in the U.S.

Department of the Interior. In his years of service, he gained a high level of expertise in dealing with the legislative and bureaucratic systems. He owns/operates a consulting firm that aids individuals, businesses and small units of government in their contacts and problems with state and federal governments. He is married and a father of four children.

When asked why he is running as an Independent, O'Dean states there are two basic reasons. First, he has never affiliated with a major political party or special interest groups. Second, he feels that individuals go to the polls to elect another individual to represent them, but due to the dominance of the two-party system, they instead elect an individual who represents a political party. A Representative who votes along party lines, rather than on the needs of the district, is not representative. O'Dean is asking the voters to remember it was the Democrats and Republicans who created our economic condition. Therefore, if we as residents want direct and meaningful representation, the solution is to vote as an Independent.

O'Dean's choice was to offer the voters of the Third Congressional District a non-radical, efficient alternative to the party candidates who have lost sight of who they represent. He decided to step forward to offer himself as a non-affiliated Independent Candidate. He stated the only commitment he has is to the residents of the Third Congressional District and the Constitution of the United States.

Support your Independent Candidate so you can be involved in your district's decisions.



United States Representative Sixth Congressional District



**Ted
HALEY**
Republican

State Senator Ted Haley is a life-long resident of the Sixth District. He has served in the Washington State Legislature for eight years, establishing a consistent voting record of fiscal responsibility. Senator Haley has served on the Ways and Means Committee.

Ted is a Tacoma surgeon, establishing his practice in 1953. He served in a M.A.S.H. unit in Korea.

Senator Haley is convinced that a disciplined, responsible Congress can effectively guarantee economic health in the Sixth District and the rest of the country. Congress can create jobs in this area through sound fiscal management, responsible spending of tax revenue, a balanced federal budget.

Ted Haley believes that years of deficit spending are responsible for our depressed housing industry, for two reasons. The government has squeezed individuals out of the credit market, allowing banks to raise interest rates. And once the government has borrowed that extra money to spend, the same individuals must pay the interest on that debt—every taxpayer, about \$100 a month.

Senator Haley has eight years experience balancing government budgets in the state of Washington, where law requires that revenue equal expenses. The budget can and must be balanced at the federal level.

Ted believes that we must cut waste at all levels of government. We must scrutinize the defense budget to provide real strength and security for each dollar spent. And Ted believes that we can decrease expensive federal regulation that often overlaps state regulation.

Senator Haley is committed to protecting the integrity of our social security system for senior citizens of today and tomorrow.

He is a consistent advocate of women's rights, private sector development of energy alternatives and the concerns of today's small businesses.



**Norman D.
DICKS**
Democrat

Norm Dicks has served the people of Washington's Sixth Congressional District since his election to Congress in 1976. His experience on Capitol Hill includes eight years on Senator Warren Magnuson's staff — three as his top aide.

Norm currently serves on two committees which have special relevance to the Puget Sound area: the Defense Appropriations Subcommittee and the Interior Appropriations Subcommittee.

A member of the Military Reform Caucus, Norm has advocated the improvement of U.S. military forces through better strategic planning and allocation of resources. An example of his concern for eliminating waste and unnecessary expenditures in the Pentagon budget was his effort to save \$8 billion by substituting 747 aircraft for C-5's in the U.S. Air Force.

One of his top priorities in preserving the unique environmental quality of the Pacific Northwest, evident in his successful efforts to keep oil supertankers out of Puget Sound and to stop the issuance of oil and gas drilling permits in Seattle and Tacoma's watersheds. In the Interior Subcommittee, Congressman Dicks has also led the effort to improve America's national parks and to protect federal salmon and steelhead hatchery programs in the Northwest. He's also working hard to make sure the harmful chemical wastes are removed from Tacoma's Commencement Bay area.

The most important concern of his at this time is the creation of new jobs. Norm has secured federal seed money for Tacoma's downtown revitalization program and has protected jobs at local defense bases. His dedication to job development was the impetus for his leadership in Congress on a housing stimulus bill, and his call for moderation of the Federal Reserve Board's tight money/high interest rate policy.

Born and raised in the Sixth District, Norm is a graduate of the University of Washington and the U.W. Law School. He and his wife Suzie have two sons.

United States Representative

Sixth Congressional District



**Jayne H.
ANDERSON**
Independent Candidate

political and economic interests in our society that thrive on the perpetual preparation for war—in order to eliminate having to live on a planet held hostage to the arms race; 4) Reagan Administration policies are leading to the impoverishment of today's families, and programs, which are socially productive and economically sound, must be developed to relieve these sufferings; 5) the Nisqually Delta and other environmental areas, as well as the "initiative" process guaranteed in our state and federal constitutions, should be preserved; 6) criminal and judicial reform are part of the same package; 7) the "free enterprise" system of small business must not be sacrificed; 8) candidates who proclaim they are for fiscal conservation should demonstrate it in the amount of campaign donations they accept (Do you want only the best Congress that money can buy?); 9) the world you would hope to be living in, in the year 2000, must be planned for now by all of our citizens, not just a chosen few—and not by re-electing the same candidates, or those with similar thought processes that support policies, tax cuts, and budgets that have contributed to much of today's miseries; then, I would ask you to vote for me—JAYNE ANDERSON, INDEPENDENT—a candidate with a value system that embraces caring, compassion, intelligence, honesty, and an ingrained and-proven sense of integrity—a "citizen politician" who has worked unreservedly and on a strictly voluntary basis these past fourteen years, for YOU, the people of the 6th district of the State of Washington—within whom the "power" in our government ultimately lies!

If you agree with me that, 1) WPPSS is the greatest crime ever committed against the people of the State of Washington; 2) a Federal Grand Jury investigation should be conducted; 3) we must confront



United States Representative

Eighth Congressional District



**Rod
CHANDLER**
Republican

Rod Chandler strongly believes that balancing the federal budget is the key to bringing down interest rates and getting the economy

moving again. This requires a framework to keep Congress from deficit spending. There should be no "sacred cows" in the budget. The military and the entitlement programs cannot continue to be exempt from the budget cutting process. Getting the economy back on its feet must be our highest priority.

Rod believes we must do everything possible to reduce the threat of nuclear war. He supports a negotiated, verifiable nuclear freeze and endorses wholeheartedly President Reagan's effort to bring about a real reduction in weapon stockpiles.

Chandler, 40, combines a unique blend of experience from business, legislative, and media backgrounds. He was a political correspondent and anchorman for KOMO-TV in Seattle, and then a banking executive. In 1977, he helped form the successful firm of Chandler/Corcoran Communications. He and his wife Joyce live on a small farm in Redmond with their children, John, 12, and Amanda, 10.

Rod Chandler will bring to Congress a solid reputation as a problem solver, gained over four terms in the Legislature. His accomplishments include rewriting the Basic Education Act, sponsoring our tough drunk driving law, and leading the drive to create a Washington State Trade and Convention Center. Rod is an effective leader because he analyzes and acts on problems and issues based on their merit, rather than trying to fit them into a rigid ideological framework.

Perhaps most importantly, Rod Chandler will make sure his constituents are represented in those important, day-to-day problems and community issues that can be affected by federal action.



**Beth
BLAND**
Democrat

Beth Bland is a leader in her own community. She'll be a congresswoman for all of us. Twice elected mayor of her community, Beth has been president of the Suburban Mayors of King County and is the chairman of the METRO water quality committee.

"We need economic policies that work," said Bland. "To build

America we need jobs and prospering businesses. But today, the only thing to 'trickle down' is bad news. We must reverse the Administration's course of staggering deficits and runaway military spending."

Tough times require a tough mind. Beth Bland has the courage to make difficult decisions to balance the budget and reduce suffocating interest rates. She wants to create jobs by expanding the Export-Import Bank, passing the housing bill vetoed by President Reagan, improving job training, and speeding up public works projects.

"As a citizen and mother of three children, I am alarmed by the cold war mentality of the Administration," Bland declared. "I support a mutual, verifiable nuclear weapons freeze now, and cost controls on military spending. The present policy destabilizes both the budget and world peace."

Beth Bland will vote to stop James Watt from destroying our hard-earned environmental gains. She favors more wilderness protection, a tough Clean Air Act, and strong rules policing toxic dumping. She wants to restore cuts in public education and restore funding for energy conservation efforts. She favors the Equal Rights Amendment and issues of concern to women.

"Fairness and compassion are the real strengths of America," said Bland. "But this Administration wants more favors for the favored, less aid for the ailing. We should be more fair; we must be more caring."

Beth Bland is a proven leader. She cares. She'll be a congresswoman for all of us.

State Representative Second Legislative District



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**Ray E.
JOHNSON**
Republican

Ray E. Johnson feels the people of Washington state are too heavily taxed. There is an effort by the incumbent to institute an additional state individual income tax which would only feed the fires of runaway spending. Johnson can better represent the people of the 2nd district whose wishes have been ignored and compromised by the incumbent through support of special interest legislation.

A Certified Public Accountant, professor and businessman, Johnson has his Masters degree in Business Administration from the University of Puget Sound. Ray Johnson's eleven years of experience in accounting and budgeting are assets our state government sorely needs.



**Wayne
EHLERS**
Democrat

Wayne Ehlers is completing his fifth term as second district Representative. He serves on the Agriculture, Rules and Legislative Budget Committees.

Wayne is a problem solver who will continue to work toward eliminating unnecessary spending and unfair tax burdens, increasing citizens' confidence in government, expanding the state's energy sources, controlling high interest rates, improving government efficiency, and developing better planning for growth with local citizen input.

A graduate of Western Washington University with a Masters degree from the University of Denver, Wayne is a public school teacher and college instructor. He is married and has two sons.

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**Tim
DEMPSEY**
Republican

Tim Dempsey is the general manager of OHOP Mutual Light Co. He graduated from San Diego State University with honors, graduated from Western State University with a Juris Doctor in Law. He is 40, married, has 7 children.

Tim stresses the absolute necessity of reducing state spending — cutting taxes. Experience as a manager has taught him the reality of working within a budget while providing essential services. He stresses the need for laws guaranteeing property rights, encouraging economic growth, limiting government meddling and waste.

The incumbent, supported by special interests, has voted against cutting state spending — against balancing the federal budget.



**Duane
KAISER**
Democrat

Duane Kaiser has the educational background and experience we need in Olympia. He and his wife Kay have owned the Green Branch Ranch Christmas Tree Farm in the district since 1962. As a retired vocational teacher, he knows education. As a dedicated community leader, he knows the 2nd district. As former president of the Frederickson-Clover Creek Council, he helped bring a badly needed fire station to the area. As a first-term legislator, Duane has earned a reputation as a hard-working, common-sense representative of the people of the 2nd district. We need Duane Kaiser in Olympia.



State Representative

Twenty-fifth Legislative District

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**Gary W.
HARTLOFF**
Republican

Gary Hartloff, lifelong resident of the 25th district and small businessman in the residential building trade, will bring a balanced labor and management background to our state government.

Gary is concerned with the decline of morals and the priceless Constitutional principles given us by our founding fathers. Gary will work to protect our fertile farm land, find ways to provide better fire protection and emergency medical services and to provide better local control of taxes and schools.

Gary believes an elected representative must keep in contact with the people through town hall meetings held monthly in his district.



**George W.
WALK**
Democrat

George Walk gives active, responsive representation to the 25th district. He doesn't just talk and complain. He rolls up his sleeves and gets the job done.

George has been a prime mover for legislation to streamline state government, simplify state agency regulations, and cut bureaucratic red tape. He supports better prioritization of state spending through zero-based budgeting and will continue his strong support of quality education.

George Walk's thoughtful deliberation on issues and his ability to listen make him an outstanding legislator.

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**Phil (P.J.)
DeROUSSEAU**
Republican

Phil has resided in Pierce County for 55 years except for four years in the Marine Corps. A graduate of the University of Puget Sound with a BA in Political Science and proven work record of 34 years. Married with three children.

Phil is employed as manager of Safety and Health at the Olympia Brewery. He has been a director on the Governor's Industrial Safety and Health Advisory Board under three administrations since 1975, and a member of the State Workers' Compensation Advisory Committee under two administrations.

His leadership and work experiences are needed to control unnecessary spending and return confidence to government.



**Dan
GRIMM**
Democrat

Dan Grimm, 33, has served three terms as State Representative from the 25th district. A lifelong resident of the Puyallup Valley, Dan is a graduate of Columbia University. He is self-employed in the air cargo industry.

Known for his independence and hard work, Dan is chairman of the House Democratic Caucus, and serves on the Appropriations and Rules Committees.

Dan will continue to build on his prior legislative accomplishments by controlling state spending, guaranteeing quality educational opportunities, working to diversify our economy, and personally helping constituents.

State Senator
Twenty-sixth Legislative District



Art
GALLAGHAN
Republican

Art Gallagher has been the district's Senator for four years. He and his family have been involved in community activities for nearly twenty-five years. Art is Natural Resources Committee chairman and has fulfilled a commitment to render our citizens the maximum benefit from our valuable assets, while protecting those precious resources for future generations. He is a member of the Transportation and State Government committees where he has also served with distinction.

Art has said: "I believe my country, my state and the people of the 26th district are a cut above the average. My record speaks loud and clear to the same values and beliefs they hold. I keep the interests and convictions of the majority of the 26th district in mind when I go to Olympia — and I intend to continue doing so."

Senator Gallagher is a man of principle and dedication who keeps his promises. He has worked to reduce the size and growth of government. Art believes we must increase local authority and control. Educational funding has to be kept at an affordable level, while meeting the expectations of parents. The citizens of the 26th district demand and deserve nothing less.



Barbara
GRANLUND
Democrat

Barbara's performance during two terms as a Representative, reflects sound judgment, sensitivity, and commitment to doing the job well.

As a Senator, Barbara will continue to work for sound fiscal policy and good legislation regardless of who originates it.

Barbara believes that state spending must be based on need and cost effectiveness. Our tax structure should be fair, broad based, and dependable to bring equity to individuals and small business. Economic recovery programs, quality education, and honest, ethical government are also top priorities.

Barbara has served on the Revenue, Institutions, and Ethics, Law and Justice Committees. She has introduced legislation to expand property tax relief, aid consumers and local government, and end legislative pension abuse, among other measures.

Her experience and knowledge enable her to be an effective liaison between citizens and state agencies in working on such local problems as pollution, prison siting, and telephone rates. Current projects include strengthening drunk driving laws and reducing ferry fares and traffic congestion.

Barbara thoroughly knows the district and is affiliated with many community groups, including League of Women Voters, Business and Professional Women, United Way, and the United Methodist Church.

Barbara and her husband Win have two children and two grandchildren.



State Representative

Twenty-sixth Legislative District

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**John
SHAFFER**
Republican

At Washington State University, John Shaffer studied government, business and economics. After serving an internship in the Washington State House of Representatives, he graduated cum laude with a Bachelor degree in Political Science.

John Shaffer is a sound businessman who believes government should abide by proven economic principles and be limited to what we are willing to pay for today, without burdening future generations.

John operates Shaffer's Automotive, a family business, on Highway 16. His wife Cathy, an Honors Graduate from the University of Puget Sound, is a cost accountant financial analyst.



**Carolyn
POWERS**
Democrat

Carolyn Powers is a proven, effective community leader. A resident of the district for 36 years, Carolyn has been a member of the Board of Trustees of Olympic Community College for 6 years — two as president and three as vice-president. She has also been active with the Business and Professional Women's Club, League of Women Voters, Kitsap Municipal League and other important community activities.

Carolyn understands the needs of the district for economic growth, transportation, adequate service to seniors and quality education.

Her concerns are for fairness in taxes and expenditures, and a commitment to people's basic needs.

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**Dan
DAWSON**
Republican

Experience is more important than ever because budget balancing is tougher than ever. Representative Dan Dawson has the experience and proven skills to meet the challenge.

A committee chairman for three of his four years in the Legislature, member of the Appropriations Committee and sponsor of important legislation, all add up to an asset for you.

Dawson is a community leader, past president of the Gig Harbor Lions, and knows the 26th district. He lives with his wife and two sons on their family-owned tree farm.

A WSU graduate and military veteran, Dawson is your best choice.



**Bill
SMITHERMAN**
Democrat

Bill's education and practice as a budget analyst for ten years have given him all of the tools it takes to be an effective legislator. He isn't baffled by political double talk. Rather, Bill can wade through the smokescreen of bureaucratic jargon and grasp the issues as they really are.

Bill's opponent promised no new taxes. Yet his opponent voted for every tax and usury fee increase that came before the legislature. His opponent led the fight for higher interest rates, which have devastated our state's economy. It's time for common sense!

In the tough times, experience counts! Bill Smitherman has that experience.

State Representative

Twenty-seventh Legislative District



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**Ron
WILSON**
Republican

Ron Wilson's broad background in his community and work as a Legislative Assistant qualifies him as the best candidate for the 27th district.

Ron is concerned about creating real jobs; about quality education; about protecting our senior citizens; about aggressive planning for the revitalization of our district.

Ron Wilson believes in our state's ability to recover and prosper.

Ron Wilson is ready to tackle the tough problems and represent you on every piece of legislation. Ron will put no interest above the common good. Let's elect a statesman **not** just a politician!



**Ruth
FISHER**
Democrat

Ruth Fisher was born and raised in Tacoma, as were her children. Ruth is knowledgeable and prepared to deal with the state's problems. Ruth has long been involved with tough community issues: honest, open government, as a member of the Pierce County Ethics Committee; social services budgets, as a part of United Way's budget committee; land use, as chairperson of the Pierce County Planning Commission.

Ruth's record shows her willingness and ability to work for people. This is a critical time. Ruth has the innovative thinking, dedication and toughmindedness to find better answers for the concerns of this district.

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**James L.
KING, Jr.**
Republican

Jim King has worked for many years with citizens of Tacoma — educators, students, businessmen, labor leaders, and other concerned people — on the issues which are vital to us — schools, police, and jobs. Jim has been involved with the Port, the Tacoma Dome, school levies and bonds, and other projects which have helped to get Tacoma moving. Jim King can go to Olympia and work for us there — to defend our Port, encourage new jobs, and see that our schools are adequately funded. And Jim will fight to see that this is done through available revenues, by making government more efficient.



**Art
WANG**
Democrat

Art Wang, 33, stays in touch, listens, studies facts, then tackles issues directly and honestly. Knowledgeable and accountable, he is a forceful advocate for our communities: Tacoma, Fife, Milton, Browns Point.

Art's priorities: get people back to work and restore our state's fiscal integrity. Unemployment and credit card budgeting have been disastrous. We must repeal the regressive and unfair sales tax on food.

Elected in 1980, Art has established a reputation for hard work and leadership in cleaning up Commencement Bay and fighting the WPPSS mess. We need positive, problem solving leadership, not partisan bickering.

Let's keep Art Wang working for us.



State Representative

Twenty-eighth Legislative District

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**Art
BROBACK**
Republican

Art Broback has been a successful independent businessman in this district for over 25 years. His community and business activities have been extensive, including president of University Place School Board, Fire Commissioner, President of Rotary, national director of Homebuilders Association, and retired Naval Officer as well as serving on a wide variety of boards and community organizations. With this experience, Art will bring sound reasoning to this important position in the Legislature. Art knows how to work with people and solve problems. We need experienced decision makers in Olympia, now more than ever.



**Willie Joel
SMITHERMAN**
Democrat

Willie Joel Smitherman is a former college professor, historian, writer, lecturer, and veteran. He is an executive board member of Pierce County's Democratic Central Committee, a caucus chairman, and a county/state convention delegate (1980-1982), and is a past member of the Democratic State Rules Committee.

Willie Joel is deeply concerned about our educational system, our economy, and unemployment. He will be a strong, positive force in the Legislature, and will work hard with other concerned legislators to make the 28th district and the state a better place to live for all citizens.

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**Stan
JOHNSON**
Republican

Stan Johnson is completing his first full term. He serves as vice-chairman of the Education Committee. He serves on Appropriations, Ethics, Law and Justice, Select Committee on Drug Trafficking, Select Committee on Regional Federalism, Select Committee on Financial Responsibility.

Stan is a former school board chairman and has a good understanding of the problems facing public education. Stan is a certified professional parliamentarian with the American Institute of Parliamentarians.

Stan is a small business owner and understands the needs of the business community. Stan and his wife Anita have four children, Mark, Tim, Kris and Andy. They live in Lakewood.



**George
HENLY**
Democrat

George Henly is a fourth-generation Pierce County resident who will bring the experience of business, energy management, union membership and public employment to the citizens of the state of Washington. His varied background and concern for the future will be instrumental in helping to solve the problems in state government.

George believes this state of Washington is the greatest in which to live, work and play. He believes it is time to challenge the confusion and economic uncertainty and begin a solid effort by all of the people to make government responsible to the needs and desires of the people.

State Senator
Twenty-ninth Legislative District



Republican — No candidate filed.



A.L. (Slim)
RASMUSSEN
Democrat

A.L. (Slim) Rasmussen, former Mayor of Tacoma and incumbent Senator, is running unopposed for the State Senate. He will continue working to solve your problems in Olympia.

"I will continue to support full public disclosure with public access to all meetings and records.

"Government must live within its income. I will continue working for a balanced budget. Inflation robs all of us. The tax burden we are putting on our children is too great. Each official should ask himself: 'Would I spend my own money this way?'

"I support adequate funding for schools, protection of our environment, and a constitutional limit on home property taxes. Vocational training programs should be expanded under local control."

Rasmussen lives with his wife Eleanor at 5415 A St. They have four sons. Senator Rasmussen is qualified by his ability, integrity, and good judgment to continue to serve you as Senator.

Your vote is appreciated.



State Representative

Twenty-ninth Legislative District

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**Bruce
BRONOSKE**
Republican

Bruce Bronoske, an administrator by profession, has seen the need for accountability in government — government can be lean, productive and efficient.

Bruce knows that encouraging new business to enter the state, by responsibly trimming excessive regulations, will help ease unemployment and the state revenue shortfall by creating jobs and increasing tax revenues.

Bruce Bronoske, lifelong resident of Tacoma/Pierce County, sees the needs of our elderly, our unfortunate, our unemployed and our over-burdened taxpayers, and Bruce wants to be their voice in Olympia. Honest — energetic — responsive — Bruce Bronoske wants to work for the people of the 29th district.



**P.J. (Jim)
GALLAGHER**
Democrat

Completing his eleventh term, Representative Gallagher is the second-ranking Democrat in the House. His experience and seniority are valuable assets to the people of the 29th district.

Born in Washington, he graduated from Tacoma's Lincoln High School and WSU. Four of his six children are college graduates, one from West Point. The committees Gallagher serves on are: Transportation and Utilities, Agriculture and the powerful Rules Committee.

Consistent support of education and highways; opposition to air pollution; support of industrial development and tax relief, especially for those on fixed incomes, are his policy positions.



**Phyllis
CLARK**
Libertarian

Phyllis Clark, an employee of Peoples' Store, her husband Dave, a railroad engineer, and their one-year-old son, live in their own home in Tacoma. Phyllis says, "As a mother, I naturally want my son to grow up in a safe and healthy environment. But government is eroding that future. High taxes that benefit only special interests must stop. Violent criminals being set free without compensating their victims must end. Burdensome regulations which prevent people from using their creative skills must cease."

As a Libertarian, Phyllis Clark believes in the future, and is striving for greater individual freedom.

State Representative

Twenty-ninth Legislative District



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**Frank (Corky)
ROGERS**
Republican

When I went to public school, children were still taught pride in America — pride in how, for 200 years, America's humming factories and work places led the world in providing people with freedom and economic progress.

Today, some people, including many politicians, think that "big government" is the source of America's bounty. I don't. Government caused inflation and government economic intervention is clearly causing Pierce County's job dilemma.

Preserve needed functions, but stop government's uncontrolled growth. I'll say "no" to a state income tax!

The worse our state's financial situation, the more urgent to cut bureaucratic costs — not raise taxes! Telephone: 531-0312.



**Brian
EBERSOLE**
Democrat

Brian Ebersole believes that economic recovery must be our first priority. With 8,000 struggling businesses and over 20,000 unemployed adults in Pierce County, state officials must protect both businesses and jobs and encourage private sector, labor intensive projects.

Brian calls for a balanced state budget. He believes the state must live within its means by eliminating wasteful expenses and increasing state agency productivity. Brian also calls for state legislative restrictions on the WPPSS's multi-billion dollar nuclear plant budget.

Brian is married, has two sons, and represents the 29th district on the Executive Board of the Pierce County Democratic Party.



**John
TRINNES**
Libertarian

John Trinnes and his wife Karen have supported a family with four small children from the bottom of the economic ladder. "Paying higher rent every time the property tax goes up, paying increased prices at the stores with every tax increase, and now paying a sales tax on food does not leave much for providing the children a few of the extras in life." As a Libertarian, John says lowering the taxes will help to lower prices, while increasing the supply of investment money for greater productivity, more jobs and a better standard of living for all Washington's citizens.



State Senator Thirty-first Legislative District



**Troy
NUTTER**
Republican

Troy is a 24-year old resident of Kent and employed by the Kent Fire Department.

Troy Nutter has a diverse background working in both public and private sector employment. Troy has also lived in both rural Bellingham where he grew up, and now resides in suburban South King County.

Troy's priorities for state government are: 1) public safety and welfare, 2) education, 3) senior citizen programs, 4) other state programs and services.

Troy also believes that taxes must be equitable and fairly shared by all.



**Frank J.
WARNKE**
Democrat

FRANK J. WARNKE, Representative from the 30th district of South King County, is running for the Senate seat in the new 31st legislative district. Warnke has served much of the new district during his twelve years in the House of Representatives. His legislative responsibilities have included chairmanships of the Legislative Budget, Commerce, and Appropriations-Education committees. Frank is the executive director of the Public School Employees of Washington. He and his wife Beverly have been South King County residents for the past thirty years. Warnke attended Auburn High School and studied political science at Central Washington State College and the University of Washington.

State Representative Thirty-first Legislative District



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**Pete
GOMES**
Republican

Pete Gomes brings to this office a demonstrated expertise in solving the types of problems most often encountered by the people of the 31st district. His broad background ranges from the military (Private to Lt. Colonel) to active church service to chairman of the Kent School District Citizen's Budget Review Committee to business development in industry. He is currently a business development manager for Boeing. Married, eight children, age, 54.

Pete will work to improve job and income stability; to reduce growth in spending; to provide a stable tax structure, and to improve the vitality of job-producing business.



**Mike
TODD**
Democrat

Mike Todd has extensive experience in effectively solving community problems. He has a strong commitment to improving our state's economy through program budgeting and broadening the tax base. Mike, who has labor's endorsement, supports an aggressive job incentive program, better funding of education, and taking a leadership role in development of a long-range energy policy. Chairs the State Energy Code Conservation Committee.

Mike is director of an association of small businesses which promotes energy efficient home heating systems, and is a partner in a family-owned business.

Former broadcast journalist for Radio KASY. Married, one daughter, lives in Auburn.

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**Herb
STREULI**
Republican

Herb Streuli, a lifelong resident of the 31st district, is owner/operator of a local dairy farm. His problem solving abilities have been successfully demonstrated as an elected fire commissioner and three-term president of the Washington Farm Bureau.

Herb is committed to quality education, responsible spending reform, an equitable tax structure and with special emphasis on stronger laws for crime prevention and law enforcement.

His experience with small businessmen and farmers across the country has prepared him to work in the Legislature for the type of small business incentives that will bring jobs to the state.



**Ernest F.
CRANE**
Democrat

Ernest F. Crane will offer his district the benefit of maturity and wide experience. He has practiced his profession in the district for many years, is a veteran, and has been active in community affairs. He is married, has three children and one grandchild.

He believes in the protection of social security benefits, promotion of small business and home ownership by stable interest rates, tighter control of bail and parole procedures, and reducing unemployment by creating economic growth.

He believes government should be responsive to the people and he will independently serve all of the people of this district.

THE OFFICE OF PRECINCT COMMITTEEMAN

In addition to the various state and county offices which will appear upon the general election ballot, most voters will have the opportunity to vote for the office of "precinct committeeman". At the 1977 session of the state legislature, the laws governing the official candidates' pamphlet were amended to provide for the inclusion of this description of the office of precinct committeeman and the duties and responsibilities of persons elected to that office.

WHO IS ELIGIBLE

State law (RCW 29.42.040) provides that any person who is a registered voter and a member of a major political party may become a candidate for the office of precinct committeeman by filing a declaration of candidacy and paying a one dollar filing fee to the county auditor. Since voters do not register by political party in Washington, a candidate declares himself or herself to be a Democrat or a Republican at the time he or she files for the office. The filing period for the office of precinct committeeman begins at the same time as the filing period for other partisan offices (the last Monday in July in even-numbered years), and lasts for three weeks, ending on the third Friday following that date.

ELECTION OF PRECINCT COMMITTEEMEN

Candidates for precinct committeeman do not appear on the primary ballot but rather are placed directly on the general election ballot, and the candidate receiving the most votes in his or her precinct for each political party is declared elected. State law (RCW 29.42.050) does provide, however, that to be declared elected, a candidate must receive at least ten percent (10%) of the number of votes cast for the candidate of his or her party receiving the greatest number of votes in that precinct.

TERM OF OFFICE AND VACANCIES

The term of office for anyone elected to the office of precinct committeeman is two years, and commences upon the official canvass of election returns by the county canvassing board. Should a vacancy occur in the office (caused by death, disqualification, resignation, or failure to elect), the usual process is for the chairman of the party central committee to fill the vacancy by appointment. Appointments to fill vacancies cannot be made between the state general election and the organization meeting of the county central committee, which must be held prior to the second Saturday in January following the election of precinct committeemen.

DUTIES OF PRECINCT COMMITTEEMEN AS MEMBERS OF THE COUNTY AND STATE CENTRAL COMMITTEES

1. Each precinct committeeman is a member of the county central committee. The county central committee has the authority to fill

vacancies on the party ticket for partisan county offices and for legislative offices in districts entirely within that county when no candidate files for such a position or when a candidate or nominee dies or is disqualified leaving no candidate of that party for such an office; they may also nominate persons for appointment to these offices if an incumbent of that party resigns.

2. The state central committee has the authority under state law (RCW 29.42.020) to:
 - Call caucuses and conventions.
 - Provide for the election of delegates to national nominating conventions.
 - Fill vacancies on the party ticket for any federal, state or legislative office which encompasses more than one county.
 - Nominate persons to fill vacancies in state or legislative offices caused by resignation or death of an incumbent of that party.
 - Provide for the nomination of presidential electors.
 - Perform other functions inherent in such an organization.

NON-STATUTORY DUTIES AND RESPONSIBILITIES OF PRECINCT COMMITTEEMEN

Specific duties and responsibilities of a precinct committeeman are usually determined by either the county or state central committees. The following duties are commonly assigned to precinct committeemen by their party organization:

- Keep informed on current issues and candidates, study the party platform.
- Attend meetings of county committees and actively participate in fund-raising activities.
- Obtain lists of registered voters from the County Auditor's office.
- Canvass the precinct and become acquainted with the voters residing therein.
- Establish a record of eligible voters and party members within the precinct.
- Encourage voter registration within the precinct.
- Distribute party election materials during election campaigns.
- Recommend party members to work as precinct election officers.
- Encourage voters to get out and vote on election day.
- Encourage the use of absentee ballots, when the need arises.
- Hold precinct caucuses at certain selected times for the purpose of adopting resolutions and selecting delegates to the county conventions.

Individuals who are interested in serving as precinct committeemen should contact the chairman of the county central committee of their party or the state committee office of that party. Their addresses are as follows:

Republican State Committee
1509 Queen Anne Avenue North
Seattle, WA 98109

State Democratic Committee
316 Maynard Avenue South
Seattle, WA 98104

VOTER'S CHECKLIST

Every Washington voter will vote on four state measures at the state general election on Tuesday, November 2, 1982. The ballot titles for these state measures are reproduced below as a convenience to voters in preparing to go to the polls or cast an absentee ballot. Voters are encouraged to bring any list or sample ballot to the polling place to make voting easier. State law provides that: "Any voter may take with him into the polling place any printed or written memorandum to assist him in marking or preparing his ballot." (RCW 29.51.180)

INITIATIVE MEASURE 412

YES

NO

Shall the maximum interest rate on retail sales be the higher of 12% or 1% over the federal discount rate?

☐☐

INITIATIVE MEASURE 414

Shall a system requiring a minimum five cent refund on sales of beer, malt, and carbonated beverage containers be established?

☐☐

INITIATIVE MEASURE 435

Shall corporate franchise taxes, measured by net income, replace sales taxes on food and state corporate business and occupation taxes?

☐☐

SENATE JOINT RESOLUTION 143

Shall financing of public improvements from taxes on increased property values as a result of such improvements be constitutionally authorized?

☐☐

The candidates for Congressional and Legislative office vary according to the residence of the voter. Space has been provided to fill in the names of the appropriate candidates prior to going to the polls.

UNITED STATES SENATOR

Doug Jewett (Republican) _____

☐

Henry M. Jackson (Democrat) _____

☐

King Lysen (Independent Candidate) _____

☐

Jesse Chiang (Independent Candidate) _____

☐

UNITED STATES REPRESENTATIVE _____

☐

STATE SENATOR _____

☐

STATE REPRESENTATIVE—POSITION 1 _____

☐

STATE REPRESENTATIVE—POSITION 2 _____

☐

OFFICIAL VOTERS PAMPHLET

AVISO: Existe traducción al español de la mayor parte del texto del Panfleto de Votantes. Si Ud desea recibir esta información en español, hágalo ordenando su ejemplar (copia) a la oficina del auditor del condado, departamento de elecciones del condado, o bien enviando su nombre y dirección a:

**SECRETARY OF STATE
LEGISLATIVE BUILDING
OLYMPIA, WA 98504**

El Panfleto le será enviado gratis a vuelta de correo.