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# Official Voters Pamphlet

General Election Tuesday, November 3, 1981



**Initiative Measure 394**

**Initiative Measure 402**



**Senate Joint Resolution 107**

**Senate Joint Resolution 133**

**House Joint Resolution 7**

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# 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 3, 1981.

**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 .....

# INTRODUCTION TO THE 1981 VOTERS PAMPHLET

On November 3, you will have the opportunity to vote on five state measures along with one state-wide office and many local measures and offices which will be on the general election ballot. This Voters Pamphlet is sent to all residents of the state of Washington to assist them in making their decisions on these important state ballot propositions.

This pamphlet contains the official ballot titles and explanatory statements for each measure as prepared by the Attorney General, the arguments and rebuttals "for" and "against" each state measure, and the complete text of each of these propositions. We have also included the full text of the enabling legislation for one of the constitutional amendments to give voters additional information on this measure.

As Secretary of State, I certify that the text of each proposed measure, ballot title, explanatory statement for and against, and rebuttal statement which appears in this pamphlet is a true and correct copy of the original document filed in my office.

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**RALPH MUNRO**  
Secretary of State

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## TABLE OF CONTENTS

	Arguments	Text
<b>Absentee Ballot Request Form</b> .....		2
<b>Initiative Measure 394</b> .....	4,5	14
<b>Initiative Measure 402</b> .....	6,7	15
<b>Senate Joint Resolution 107</b> .....	8,9	17
<b>Senate Joint Resolution 133</b> .....	10,11	17
<b>House Joint Resolution 7 (and enabling legislation)</b> .	12,13	18
<b>Voter Checklist</b> .....		23

## 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 14, and running through the day of the election.



# Initiative Measure 394

TO THE PEOPLE

## Official Ballot Title:

Shall public agencies obtain voter approval prior to issuing bonds for the construction or acquisition of major public energy projects?

## The law as it now exists:

While the state and local governmental units must, under certain circumstances, obtain voter approval to raise money through the issuance of general obligation bonds, there is no such requirement of voter approval for the issuance of revenue bonds payable only from the revenues derived from the specific project. The issuance of such revenue bonds now includes the financing of the construction of public energy projects.

## The effect of Initiative 394, if approved into law:

This initiative would require a public agency of the state to obtain approval from its voters before selling any bonds to finance the construction or purchase of a major public energy project. A "major public energy project" is defined by the initiative to mean a facility or addition to a facility which generates more than 250 megawatts of electrical power. Projects under construction by July 1, 1982 would not be covered except any WPPSS projects, the construction budget of which exceeds certain limits.

If the applicant to build or purchase a project is a public utility district, a joint operating agency, a city, or a county, an election to decide if the funds for the project may be expended shall be held among the voters of that jurisdiction, or the voters of the local government entities which comprise the joint operating agency. If the applicant is a public agency other than those listed above, the election shall be conducted on a state-wide basis. The election would be for the purpose of setting the maximum amount of bond financing which is authorized for a major public energy project. Prior to the election, the applicant would have to make available for public comment a cost effectiveness study prepared by an independent consultant. The study

would examine the project and the ability to meet electrical power demands of intended customers at a reasonable cost compared with other alternatives. Supporters and opponents of the project would be permitted to present their views in a Voters' Pamphlet produced by the Secretary of State. Public comment and other basic information about the project would also be included in the Voters' Pamphlet.

NOTE: The ballot title and explanatory statement were written by the Attorney General as required by state law. The complete text of Initiative Measure 394 begins on page 14.

## Statement for

### WHAT I-394 DOES

Initiative 394 requires that a public agency like the Washington Public Power Supply System (WPPSS) obtain voter approval before it could issue more bonds to build or acquire major public power projects.

### WHY I-394?

Spending on WPPSS's five nuclear projects has grown from its first estimate of \$4.1 billion to the current estimate of almost \$24 billion dollars. There is now no direct accountability to the ratepayers who will pay the bills for WPPSS's runaway spending.

### WHO'S SPENDING?

Most of WPPSS's spending spiral is caused by contractor cost overruns. Faulty management, flawed engineering and contract loopholes have driven up the costs of the projects. Neither the WPPSS Board nor the state legislature has been able or willing to control these contractors to halt their runaway spending.

### WHO DO YOU TRUST?

People clearly should have the right to vote yes or no before public utilities sell bonds, since these bonds will have to be repaid through higher electricity rates. Washington's voters are quite capable of making a judgment on these issues just as they vote on bonds for school districts, sewer and water projects. We ought to trust the people to make these decisions, rather than the inexperienced WPPSS Board or the state legislature.

### I-394 MAKES WPPSS ACCOUNTABLE TO YOU

Initiative 394 makes WPPSS and its contractors directly accountable to the ratepayers who will pay the bills. I-394 forces WPPSS to reform its management, scrutinize its contractors and halt this runaway spending of your money.

VOTE YES ON I-394!

## Rebuttal of Statement against

Opponents misrepresent Initiative 394. The issue is *your right to vote* to control public spending. 1) Initiative 394 enables Washington voters to do what the WPPSS Board has failed to do — stop contractor cost overruns on WPPSS nuclear projects. 2) Initiative 394 holds WPPSS accountable by requiring *voter approval* of WPPSS construction budget before WPPSS spends YOUR money. 3) Initiative 394 assures a strong Washington economy, by preventing WPPSS from putting *you* in debt over your head.

### Voters Pamphlet Statement Prepared by:

RUTHE RIDDER, State Senator; AL WILLIAMS, State Senator; NITA RINEHART, State Representative.

Advisory Committee: TOM BAKER, President, District 751, International Association of Machinists and Aerospace Workers; PAT FLOYD, Commissioner, Jefferson County Public Utility District; JOLENE UNSOELD, Citizen Lobbyist; ERIC SMITH, President, Local 1105, Retail Clerks Union; STEVE ZEMKE, Chairperson, Don't Bankrupt Washington Committee.

## Statement against

Initiative 394 would create a costly, bureaucratic nightmare with disastrous consequences for every taxpayer, electricity user, worker and business in Washington.

The initiative creates complicated and expensive restrictions which may terminate major energy projects now under construction and those planned for the future. It restricts every type of major energy project, including hydro, nuclear, coal or alternative energy sources such as wind, solar and geothermal. Cutting through the nearly 2,000 words of the proposal, here is what it does:

- It requires frequent elections on energy bond issues costing as much as \$1,000,000 per election — paid for by the taxpayers.
- It requires costly government studies, comparison projections, decommissioning analyses, and a special printing of millions of pamphlets — paid for by taxpayers and ratepayers.
- Without new generating capacity from plants now under construction, we face a devastating shortage of electricity in the near future. It will mean the immediate loss of thousands of jobs and the ultimate loss of hundreds of thousands of jobs as industry is faced with factory closures or limited production schedules because of severe energy shortages.

The cost of Initiative 394 could be staggering — at stake is the energy and economic future of Washington. As taxpayers and ratepayers, it will cost us an adequate supply of energy, hundreds of thousands of jobs, millions of dollars in elections

and studies and could cost us billions of dollars in uncompleted energy projects and construction delays.

**VOTE NO ON 394. IT'S A VERY EXPENSIVE PROPOSITION**

## Rebuttal of Statement for

I-394 is *not* a WPPSS measure. I-394 will *not* affect WPPSS management. I-394 does *not* scrutinize contractors. *I-394 does force* expensive, repeated elections which make no sense. Voters not affected could vote, while affected voters may be prohibited from voting. *I-394 does force* a shutdown of construction of vitally needed energy projects. *I-394 does jeopardize* every type of major energy project including vitally needed hydro, coal, nuclear and wind projects. VOTE NO on 394!

### Voters Pamphlet Statement Prepared by:

RAY ISAACSON, State Representative; JACK SILVERS, Master, Washington State Grange; RANDY A. ROACH, Attorney primarily engaged in construction and surety bonding law.

Advisory Committee: JULIA BUTLER HANSEN, Former Member of Congress; MINER H. BAKER, Economist; ROBERT DILGER, Executive Secretary, Washington State Building and Construction Trades Council, AFL-CIO; DOROTHY KLINE, Civic Leader; WELLS McCURDY, Past Chairman, Association of Washington Business.





# Initiative Measure 402

TO THE PEOPLE

**Official Ballot Title:**  
Shall inheritance and gift taxes be abolished, and state death taxes be restricted to the federal estate tax credit allowed?

## The law as it now exists:

The State of Washington currently imposes inheritance taxes on both transfers of property resulting from the death of a Washington resident and transfers of certain in-state property of a non-resident decedent. Inheritance taxes may also be imposed on certain transfers made prior to and in contemplation of death. In addition and for comparison, the state imposes a gift tax on transfers of property made during a donor's lifetime.

The inheritance tax is imposed on beneficiaries of the estate. The amount of inheritance tax on any particular transfer depends on the relationship of each beneficiary to the decedent and the value of the property transferred.

Federal law also imposes a tax on transfers by gift or inheritance and allows a credit against such federal estate tax for a portion of the state's inheritance tax.

State inheritance tax collections for fiscal year 1981 approximated \$52 million or 2% of the state's general fund revenue for the period. In excess of two-thirds of the decedents' estates which reported to the Department of Revenue in 1981 paid no state inheritance taxes.

## The effect of Initiative 402, if approved into law:

This initiative would repeal the state's existing inheritance and gift tax laws and would substitute, in their stead, a tax on the transfer of the net estate of a resident decedent and on the transfer of certain in-state property of a non-resident decedent. Only estates liable for federal estate tax would be subject to tax under the initiative and the amount of the tax would be limited to the credit allowable against the federal tax.

The impact of the initiative on a particular estate transfer would vary depending upon the relationship of the recipient to the decedent. Since the initiative eliminates the distinction between classes of beneficiaries, it will have a lesser impact on beneficiaries more closely related to decedent who receive higher exemptions and lower rates under present state law. The initiative will have a greater impact on unrelated or more distantly related beneficiaries who receive no exemption and pay tax at the highest rate under current state law.

The adoption of the tax contained in the initiative together with recent increases in the federal estate tax exemptions would operate to reduce the number of estates in which transfers are now taxable under present state law, and, in most other cases, to lower the level of taxation on those estates, which remain taxable, below that imposed under the current state rate structure. The amount of the corresponding reduction in tax revenues which would otherwise be collected under the state's existing inheritance and gift tax laws cannot be estimated with precision.

NOTE: The ballot title and explanatory statement were written by the Attorney General as required by state law. The complete text of Initiative Measure 402 begins on page 15.

## Statement for

### DEATH TAXES ARE CRUEL

"What I needed when my husband died was a big hug. Instead these vultures swooped in demanding thousands of dollars."

—Veronica Booker, Seattle widow

### OUR ESTATES HAVE ALREADY BEEN TAXED

A couple has the right to pass on to their children the fruits of a lifetime of work. Their home and their savings have been hard-earned. It belongs to them—not the tax collector.

### THE INHERITANCE TAX IS UNJUST

A child has the right to continue a small family business or



the family farm without having to sell the property to large corporations or foreign investors in order to pay inheritance tax.

A tax that destroys these basic rights is unjust.

## Rebuttal of Statement against

Opponent's arguments are false and misleading. *This tax is hardest on average, middle-income working men and women!* While it's true there will be a gradual phasing out of the tax on spouses, there is no provision to phase out this hurtful tax on children, relatives, or friends. *If your estate is worth \$10,500 or more it is subject to inheritance tax!* (Inheritance Tax Law Schedule, Department of Revenue) A yes vote for 402 will create jobs and generate additional tax revenue by attracting investments into Washington and halting the outflow of business and retirement dollars.

### Voters Pamphlet Statement Prepared by:

DICK PATTEN, Chairman, Committee for Initiative 402; MIKE PATRICK, State Representative; KENT PULLEN, State Senator.

Advisory Committee: MRS. R. E. VAN VALKENBURGH, Washington State Federation of Women's Clubs; DON AHRENHOLTZ, Washington State Farm Bureau; LLOYD GARDNER, Citizen Taxpayers Association; WARREN McPHERSON; RANDY RAY, Washington Association of Wheat Growers.

## Statement against

### A TAX BREAK FOR THE WEALTHY

Initiative 402 would give tax relief to a small number of very wealthy individuals at the expense of low and middle income people. Over 70 percent of all estates now pass tax free in Washington. Our state inheritance tax system was thoroughly revised in 1979 to provide generous exemptions for spouses, children, family farms, and life insurance proceeds. By 1983, an estate of \$940,000 will pass tax free. All community property will pass tax free to a surviving spouse by 1984. 402 will benefit only a very few wealthy individuals.

### MORE CUTS OR HIGHER TAXES?

Washington's schools and senior citizens will be hurt by 402. Over \$140,000,000 will be lost to Washington by 1984 without creating one job or helping a middle income person. 402 would repeal a fair tax paid by those who can afford it. The state budget was cut by twelve percent in 1981. The economy and revenues are down. 402 means either more cuts or increases in less fair taxes.

### LOCAL—NOT FEDERAL—CONTROL

Do you want Washington, D.C. to determine our state tax levels? That is exactly what would happen if 402 passes. The amount of Washington's inheritance tax would be determined by the IRS and Congress. Let's keep control. 402 is the wrong approach, at the wrong time, for the wrong reasons.

## Rebuttal of Statement for

By using an emotional harangue and ignoring facts, the proponents would have you believe what is not true.

Our system is fair. 1979 changes in state law make certain no Washingtonian is in danger of losing a home or farm because of inheritance taxes. Nobody has to pay their tax in less than nine months and a ten year deferral for hardships is allowed. Don't be misled by deceptive emotionalism. Vote NO on 402.

### Voters Pamphlet Statement Prepared by:

GEORGE SCOTT, State Senator; JOANNE BREKKE, State Representative; NORM SCHUT, President, Senior Citizens Lobby.

Advisory Committee: GEORGE KINNEAR, Former Director, Department of Revenue; ROBERT S. O'BRIEN, State Treasurer; WILLIAM ANDERSON, University of Washington School of Law.



# Senate Joint Resolution 107

PROPOSED CONSTITUTIONAL AMENDMENT

Vote cast by the 1981 Legislature on final passage:  
HOUSE: Yeas, 98; Nays, 0; Absent or Not Voting, 0.  
SENATE: Yeas, 35; Nays, 11; Absent or Not Voting, 3.

## Official Ballot Title:

Shall constitutional limitations on powers and numbers of superior court commissioners be removed, and limitations be established by legislation?

## The law as it now exists:

The State Constitution now limits the number of superior court commissioners who can be appointed by the superior court judges in each county to a maximum of three commissioners. Such superior court commissioners are constitutionally limited in their functions and do not possess the full powers of a superior court judge. The commissioners have the authority to perform some judicial functions subject to revision by the superior court judge.

## Statement for

SJR 107 is a proposed constitutional amendment dealing with the appointment and duties of court commissioners. The amendment would remove present language limiting the number of court commissioners to three per county and would allow the Legislature to set the number by law. The amendment would also remove archaic language relating to the commissioner's duties and would allow the Legislature to set the duties by law.

SJR 107 is beneficial for the administration of justice in our state because court commissioners will be allowed to do more of the routine judicial work, freeing judges to concentrate on the trial of lawsuits.

Commissioners are *not* judges, but they are important officers who have been essential in this and other states in reducing the congestion of the courts by expediting the processing of cases.

The existing limitation of three commissioners per county, regardless of the county's size, is a relic of 1889 and should be changed to permit the Legislature to allow the larger counties to have more than three commissioners.

SJR 107 will assist to improve the quality and efficiency of our state's judicial system. The amendment will permit the counties to streamline the handling of legal cases, realize some cost savings in handling legal actions, and permit judges to devote their complete attention to major decisions for which they were elected.

## Rebuttal of Statement against

It is unfortunate that the opponents of SJR 107 do not understand how commissioners work. They DO NOT "handle general civil cases" or "major lawsuits" and CANNOT be given "full judicial powers" under our Constitution. They cannot try criminal cases or sentence offenders. SJR 107's legislative opponents have consistently opposed any new Superior Court judgeships. Court Commissioners will cost less than new judges and will help end the very long delays in having lawsuits heard.

### Voters Pamphlet Statement Prepared by:

PHIL TALMADGE, State Senator; WILLIAM ELLIS, State Representative; MIKE PADDEN, State Representative.

## The effect of Senate Joint Resolution No. 107, if approved into law:

The current constitutional maximum of three superior court commissioners in each county would be removed by this proposed constitutional amendment. In addition, the present constitutional limitation on the authority of superior court commissioners would be removed from the constitution and the legislature would thereby be empowered to prescribe the functions and duties of superior court commissioners by statute so long as those functions involve the performance of business connected with the administration of justice.

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 107 begins on page 17.

## Statement against

### SJR 107 TAKES AWAY VOTERS' RIGHTS

SJR 107 will severely jeopardize your rights as a voter. Currently, the constitution restricts the number of appointed court commissioners to a maximum of three and provides reasonable checks on their powers. SJR 107 will allow an unlimited number of appointed court commissioners and will greatly expand their potential powers. You – the voter – will be helpless to do anything about a bad court commissioner.

### APPOINTED COURT COMMISSIONERS NOT ACCOUNTABLE TO THE PUBLIC

Citizens can always work to vote a bad judge out of office. But, court commissioners are appointed, not elected, and, hence, are not accountable to the public.

### POTENTIAL POWER OF COURT COMMISSIONERS IS FRIGHTENING

Court commissioners are already powerful. Among many other duties, they can handle general civil cases, major lawsuits, juvenile offender sentencings, and commitments of individuals to institutions for the insane. If SJR 107 passes, the legislature by a mere majority vote can give court commissioners full judicial powers. If an overly lenient judge presently grants probation to a dangerous criminal convicted of violent crimes, the people have recourse to the ballot box and can express their displeasure there. But, if a court commissioner were given sentencing powers and proved to be too lenient, the public could do nothing.

### SJR 107 WILL COST TAXPAYERS MONEY

SJR 107 will allow the appointment of an unlimited number of costly court commissioners. At a time when taxpayers are

revolting against big, costly government, SJR 107 is a step in the wrong direction.

### VOTE "NO" ON SJR 107

Do you want to be governed by appointed judges, or do you want to continue to elect your judges? Vote against SJR 107.

## Rebuttal of Statement for

The proponents' own arguments are compelling reasons for voting "no" on SJR 107. The proponents implicitly acknowledge the following: Unlimited numbers of costly court commissioners will be possible if SJR 107 passes; present constitutional protections will be eliminated; appointed court commissioners (answerable to no one) will assume many of the duties of elected judges (answerable to the voters).

### Voters Pamphlet Statement Prepared by:

KENT PULLEN, State Senator; A. L. "SLIM" RASMUSSEN, State Senator; ELLEN CRASWELL, State Senator.

Advisory Committee: LLOYD GARDNER, Citizen Taxpayers Association; GLADYS E. EDWARDS, Property Owners Protection Association; MARGARET SHOTT, Information Please; W. H. PHILIPP, Washington Institute for Judicial Review.





# Senate Joint Resolution 133

PROPOSED CONSTITUTIONAL AMENDMENT

Vote cast by the 1981 Legislature on final passage:  
HOUSE: Yeas, 97; Nays, 1; Absent or Not Voting, 0.  
SENATE: Yeas, 46; Nays, 0; Absent or Not Voting, 3.

## Official Ballot Title:

Shall certification of initiatives to the legislature be required within forty days of filing and legislatively ordered referenda thereon prohibited?

## The law as it now exists:

Our State Constitution provides four methods for direct participation by the voters in the passage of laws: Initiatives to the people, initiatives to the legislature, referenda referred to the voters by the legislature and referenda required by the voters.

For initiatives submitted to the legislature, the Secretary of State must transmit to the legislature at the beginning of each session those initiatives which have sufficient signatures which have been filed with

the Secretary of State's Office up to ten days prior to the commencement of the legislative session. The Secretary of State thus must under the constitution validate those initiative signatures within that relatively short period of time.

## The effect of Senate Joint Resolution No. 133, if approved into law:

The basic constitutional provisions governing initiatives and referenda would not be changed by SJR No. 133 although they would be reorganized for the purposes of readability and incorporation of prior constitutional amendments.

This proposed constitutional amendment would, however, make two substantive changes.

First, the amendment would give the Secretary of State forty days to validate the signatures on initiative petitions to the legislature. The Secretary of State would be authorized to provisionally certify the initiative to the legislature pending final certification of the measure.

Second, the legislature would be prohibited from ordering a referendum on a measure which it has adopted in response to an initiative to the legislature.

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 133 begins on page 17.

## Statement for

### SJR 133 WILL AID CITIZENS AND SPONSORS OF INITIATIVES

To qualify an initiative, the constitution presently requires the collection of signatures equal to 8% of the votes cast for governor in the last gubernatorial election. This causes great confusion for sponsors of initiatives to the legislature, because the election for governor occurs right in the middle of the period allotted for gathering signatures. Since the number of signatures required invariably jumps upward after a new gubernatorial election, sponsors presently are faced with a dilemma. They do not know in advance what the new signature total will be, and they must either ask their workers to turn in signatures prematurely to meet the first deadline, thereby shortening their signature-gathering time, or else use the full time allotted, but risk a huge jump in the number of signatures that must be collected.

SJR 133 nicely solves the problem by keeping the 8% rule intact, but specifying that it refers to the last gubernatorial election at the time of filing of the text of the initiative with the secretary of state.

### SJR 133 WILL SAVE TAXPAYERS MONEY

SJR 133 directly repeals parts of the constitution previously repealed by reference, but which remain codified. This will reduce costs associated with administering the present confusing language. Also, SJR 133 lengthens the time the secretary of state has to certify an initiative to the legislature, thereby allowing the certification to proceed in an orderly and cost-effective fashion.

### VOTE "YES" ON SJR 133

SJR 133 was overwhelmingly passed by the legislature. It has strong support of groups all across the state. Vote for SJR 133.

### Voters Pamphlet Statement Prepared by:

KENT PULLEN, State Senator; BOB EBERLE, State Representative; ELLEN CRASWELL, State Senator.

Advisory Committee: RALPH MUNRO, Secretary of State.

State law requires that the argument and rebuttal statement against a constitutional amendment be written by one or more members of the state Legislature who voted against that proposed measure on final passage or, in the event that no such member of the Legislature consents to prepare the statement, by any other responsible individual or individuals to be appointed by the Speaker of the House of Representatives, the President of the State Senate, and the Secretary of State. No legislator who voted against Senate Joint Resolution 133 or other individual opposing the measure consented to write an argument against the measure for publication in this pamphlet.



# House Joint Resolution 7

PROPOSED CONSTITUTIONAL AMENDMENT

Vote cast by the 1981 Legislature on final passage:  
HOUSE: Yeas, 86; Nays, 12; Absent or Not Voting, 0.  
SENATE: Yeas, 37; Nays, 12; Absent or Not Voting, 0.

## Statement for

### A CONSTITUTIONAL AMENDMENT

HJR 7 is a proposed amendment to the Washington State Constitution that provides for the sale of tax-free revenue bonds, payable only from private sources, to finance pollution control, job and economic development projects.

### STRONG STATE ECONOMY

The use of special tax-free financing to encourage job and economic development is a Federal tax incentive program designed by Congress. When 49 other states make use of some form of tax-free economic development bonds, Washington is placed at a definite competitive disadvantage in attracting the kind of business and industry that we desire to keep our state both clean and economically strong.

### MORE JOBS

The state of Massachusetts is one of the best examples of how tax-exempt borrowing can be used. In Boston, construction is underway on a 100,000 square foot new plant for P & L Sportswear. As many as 700 people will work in this facility, which was made possible by tax-exempt financing.

### POLLUTION CONTROL

Three major uses of this type of financing would be private investment in air and water pollution control facilities and the development of solid waste resource recovery facilities using private sector management.

### NO TAXES

No tax dollars would be used to repay these bonds. Tax-free bonds are sold to investors who are, in turn, repaid by

## Official Ballot Title:

Shall industrial development bonds, repaid by such developments, not by public funds, be authorized for issuance by public governmental entities?

## The law as it now exists:

Federal law exempts from income tax the interest paid on bonds issued by or on behalf of states or municipalities. This tax exemption results in a lower interest cost to the state and municipal borrowers than to private borrowers. Some states now issue nonrecourse bonds, the proceeds of which are used for private industrial development. A nonrecourse bond is a bond, the repayment of which is made solely from revenue derived from the industrial development or other

money that is generated by the new business or project that has been financed. In the event of a default or any other loss, the investor has no recourse against tax dollars or public credit.

### HJR 7 YES!

### A CLEAN, STRONG WASHINGTON

## Rebuttal of Statement against

The arguments made against HJR 7 are unfounded and untrue. After thorough study, more than two thirds of the state legislature voted for HJR 7. It is supported by the governor, treasurer, and secretary of state, State Labor Council, Farm Bureau, Association of Washington Business, chambers of commerce, Association of Washington Cities, and many others who have studied it. This broad support is the best evidence that HJR 7 will not create higher taxes and will create new jobs.

### Voters Pamphlet Statement Prepared by:

GEORGE SELLAR, State Senator; GEORGE FLEMING, State Senator; ROD CHANDLER, State Representative.

Advisory Committee: JOHN SPELLMAN, Governor; ROBERT S. O'BRIEN, State Treasurer; PHYLLIS SHRAUGER, President, Association of Washington Cities; MARVIN WILLIAMS, President, Washington State Labor Council, AFL-CIO; ROBERT CHAMBLERAIN, State Representative.

private sources, and not from any public funds. Such bonds are state or municipal bonds for the purposes of the income tax exemption.

The Washington State Constitution now prohibits the loaning or giving of credit to private persons and thus prevents the issuance of such nonrecourse tax exempt industrial development bonds.

## The effect of House Joint Resolution No. 7, if approved into law:

The legislature would be authorized to allow the state and local governments to issue nonrecourse revenue bonds for private industrial development purposes. Nonrecourse revenue bonds would be repayable only from funds derived from industrial projects financed by the bonds or other private sources and would not be repayable from public funds. Such bonds may be issued only if the interest thereon is exempt from federal income taxation.

1981 legislation defines industrial development as including pollution control, solid waste disposal, transportation, manufacturing, processing, production, assembly, warehousing and energy facilities. Any legislative redefinition of industrial development would require a

sixty percent favorable vote of each house of the legislature.

State and local governments would be prohibited from using government powers such as taxation or eminent domain on behalf of any industrial project financed under this measure.

NOTE: The ballot title and explanatory statement were written by the Attorney General as required by state law. The complete text of House Joint Resolution 7 and its implementing legislation begins on page 18.

## Statement against

### HJR 7 WILL FORCE TAXES HIGHER

The loss of revenue due to the tax exempt status of the bonds must be made up by increasing other taxes. Experience in other states shows that industrial projects impact the zoning classification of adjacent neighborhoods, thereby often increasing property taxes.

### HJR 7 WILL HURT SMALL BUSINESS

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

### HJR 7 WILL ELIMINATE JOBS

State studies such as a recent one by the Oregon Governor's Task Force prove that industrial revenue bonds have failed to create one single job. In fact, HJR 7 will cause some jobs to be lost, because unfair subsidized competition will destroy many small businesses.

### HJR 7 BENEFITS ONLY THE ELITE

Industrial revenue bonds benefit only small groups of wealthy people, such as financiers, speculators, and multinational cartels and do little to benefit the public.

### HJR 7 WILL INCREASE INTEREST RATES AND THE COST OF PUBLIC WORKS

Tax free bonds authorized by HJR 7 will compete with other projects such as public works 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?

### HJR 7 DESTROYS NEIGHBORHOODS AND SMALL TOWNS

If HJR 7 passes, many neighborhoods and small towns will have their character radically altered or completely destroyed by the unfettered expansion of unnecessary or questionable projects.

### VOTE "NO" ON HJR 7

A vote against HJR 7 is a vote against higher taxes, against higher interest rates, against unfair government subsidization, against elimination of jobs, and against destruction of neighborhoods.

## Rebuttal of Statement for

*End Corporate Food Stamps.* Pro-business Barron's (8/17/81) calls Industrial Revenue Bonds "Corporate Food Stamps" and recommends they be eliminated completely. K-Mart and McDonald's have used hundreds of millions of tax free dollars — our dollars! Even Congress wants to scrap IRB's! At current tax exempt interest rates, tax avoidance is over \$1 BILLION annually — perhaps doubling by 1986! More jobs? No! If the Boston plant were a sound business venture, it would be built without IRB's.

### Voters Pamphlet Statement Prepared by:

KENT PULLEN, State Senator; JOANNE J. BREKKE, State Representative; A. L. "SLIM" RASMUSSEN, State Senator.

Advisory Committee: PAUL O. SNYDER, Citizen Taxpayers Association; GLADYS E. EDWARDS, Property Owners Protection Association; RICHARD PARGETER, Small Businessman; A. N. "BUD" SHIN-POCH, State Senator; ELLEN CRASWELL, State Senator.



## Initiative Measure 394

AN ACT Relating to energy facilities; adding a new chapter to Title 80 RCW; and providing an effective date.

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

**NEW SECTION.** Section 1. This chapter may be cited as the Washington state energy financing voter approval act.

**NEW SECTION.** Sec. 2. The purpose of this chapter is to provide a mechanism for citizen review and approval of proposed financing for major public energy projects. The development of dependable and economic energy sources is of paramount importance to the citizens of the state, who have an interest in insuring that major public energy projects make the best use of limited financial resources. Because the construction of major public energy projects will significantly increase utility rates for all citizens, the people of the state hereby establish a process of voter approval for such projects.

**NEW SECTION.** Sec. 3. The definitions set forth in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Public agency" means a public utility district, joint operating agency, city, county, or any other state governmental agency, entity, or political subdivision.

(2) "Major public energy project" means a plant or installation capable, or intended to be capable, of generating electricity in an amount greater than two hundred fifty megawatts. Where two or more such plants are located within the same geographic site, each plant shall be considered a major public energy project. An addition to an existing facility is not deemed to be a major energy project unless the addition itself is capable, or intended to be capable, of generating electricity in an amount greater than two hundred fifty megawatts. A project which is under construction on July 1, 1982, shall not be considered a major public energy project unless the official agency budget or estimate for total construction costs for the project as of July 1, 1982, is more than two hundred percent of the first official estimate of total construction costs as specified in the senate energy and utilities committee WPPSS inquiry report, volume one, January 12, 1981, and unless, as of July 1, 1982, the projected remaining cost of construction for that project exceeds two hundred million dollars.

(3) "Cost of construction" means the total cost of planning and building a major public energy project and placing it into operation, including, but not limited to, planning cost, direct construction cost, licensing cost, cost of fuel inventory for the first year's operation, interest, and all other costs incurred prior to the first day of full operation, whether or not incurred prior to the effective date of this act.

(4) "Cost of acquisition" means the total cost of acquiring a major public energy project from another party, including, but not limited to, principal and interest costs.

(5) "Bond" means a revenue bond, a general obligation bond, or any other indebtedness issued by a public agency or its assignee.

(6) "Applicant" means a public agency, or the assignee of a public agency, requesting the secretary of state to conduct an election pursuant to this chapter.

(7) "Cost-effective" means that a project or resource is forecast:

- To be reliable and available within the time it is needed; and
- To meet or reduce the electric power demand of the intended consumers at an estimated incremental system cost no greater than that of the least-cost similarly reliable and available alternative project or resource, or any combination thereof.

(8) "System cost" means an estimate of all direct costs of a project or resource over its effective life, including, if applicable, the cost of distribution to the consumer, and, among other factors, waste disposal costs, end-of-cycle costs, and fuel costs (including projected in-

creases), and such quantifiable environmental costs and benefits as are directly attributable to the project or resource.

**NEW SECTION.** Sec. 4. No public agency or assignee of a public agency may issue or sell bonds to finance the cost of construction or the cost of acquisition of a major public energy project, or any portion thereof, unless it has first obtained authority for the expenditure of the funds to be raised by the sale of such bonds for that project at an election conducted in the manner provided in this chapter.

**NEW SECTION.** Sec. 5. The election required under section 4 of this act shall be conducted in the manner provided in this section.

(1) (a) If the applicant is a public utility district, joint operating agency, city, or county, the election shall be among the voters of the public utility district, city, or county, or among the voters of the local governmental entities comprising the membership of the joint operating agency.

(b) If the applicant is any public agency other than those described in subsection (1) (a) of this section, or is an assignee of a joint operating agency and not itself a joint operating agency, the election shall be conducted state-wide in the manner provided in Title 29 RCW for state-wide elections.

(2) The election shall be held at the next state-wide general election occurring more than ninety days after submission of a request by an applicant to the secretary of state unless a special election is requested by the applicant as provided in this section.

(3) If no state-wide election can be held under subsection (2) of this section within one hundred twenty days of the submission to the secretary of state of a request by an applicant for financing authority under this chapter, the applicant may request that a special election be held if such election is necessary to avoid significant delay in construction or acquisition of the energy project. Within ten days of receipt of such a request for a special election, the secretary of state shall designate a date for the election pursuant to RCW 29.13.010 and certify the date to the county auditor of each county in which an election is to be held under this section.

(4) Prior to an election under this section, the applicant shall submit to the secretary of state a cost-effectiveness study, prepared by an independent consultant approved by the state finance committee, pertaining to the major public energy project under consideration. The study shall be available for public review and comment for thirty days. At the end of the thirty-day period, the applicant shall prepare a final draft of the study which includes the public comment, if any.

(5) The secretary of state shall certify the ballot issue for the election to be held under this section to the county auditor of each county in which an election is to be held. The certification shall include the statement of the proposition as provided in section 6 of this act. The costs of the election shall be relieved by the state in the manner provided for state measures under RCW 29.13.047.

(6) Prior to an election under this section, the secretary of state shall provide an opportunity for supporters and opponents of the requested financing authority to present their respective views in a voters' pamphlet which shall be distributed to the voters of the local governmental entities participating in the election. Upon submission of an applicant's request for an election pursuant to this section, the applicant shall provide the secretary of state with the following information regarding each major public energy project for which the applicant seeks financing authority at such election, which information shall be included in the voters' pamphlet:

(a) The name, location, and type of major public energy project, expressed in common terms;

(b) The dollar amount and type of bonds being requested;

(c) If the bond issuance is intended to finance the acquisition of all or a portion of the project, the anticipated total cost of the acquisition of the project;

(d) If the bond issuance is intended to finance the planning or

construction of all or a portion of the project, the anticipated total cost of construction of the project;

(e) The projected average rate increase for consumers of the electricity to be generated by the project. The rate increase shall be that which will be necessary to repay the total indebtedness incurred for the project, including estimated interest;

(f) A summary of the final cost-effectiveness study conducted under subsection (4) of this section;

(g) The anticipated functional life of the project;

(h) The anticipated decommissioning costs of the project; and

(i) If a special election is requested by the applicant, the reasons for requesting a special election.

**NEW SECTION.** Sec. 6. The proposition for each major public energy project listed upon a ballot pursuant to this chapter shall be in the form provided in this section.

(1) If the funds are intended to finance the planning or construction of all or a portion of the project, the proposition shall read substantially as follows:

"Shall (name of applicant) be authorized to spend (dollar amount of financing authority requested) to construct the (name of the project) (type of project) located at (location), the anticipated total construction cost of which is (anticipated cost of construction)?"

(2) If the financing authority is intended to finance the acquisition of all or a portion of the project from another party, the proposition shall read substantially as follows:

"Shall (name of applicant) be authorized to spend (dollar amount of financing authority requested) to acquire the (name of project) (type of project) located at (location), the anticipated total acquisition cost of which is (anticipated cost of acquisition)?"

**NEW SECTION.** Sec. 7. A request for financing authority pursuant to this chapter shall be considered approved if it receives the approval of a majority of those voting on the request.

**NEW SECTION.** Sec. 8. In planning for future energy expenditures, public agencies shall give priority to projects and resources which are cost-effective. Priority for future bond sales to finance energy expenditures by public agencies shall be given: First, to conservation; second, to renewable resources; third, to generating resources utilizing waste heat or generating resources of high fuel-conversion efficiency; and fourth, to all other resources. This section does not apply to projects which are under construction on the effective date of this section.

**NEW SECTION.** Sec. 9. Sections 1 through 8 of this act shall constitute a new chapter in Title 80 RCW.

**NEW SECTION.** Sec. 10. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

**NEW SECTION.** Sec. 11. Section 8 of this act shall take effect immediately. The remainder of this act shall take effect on July 1, 1982. Public agencies intending to submit a request for financing authority under this act are authorized to institute the procedures specified in section 5(4) of this act prior to the effective date of this act.

## Initiative Measure 402

AN ACT Reforming gift and inheritance taxation; adding a new chapter to Title 83 RCW to be designated chapter 83.100 RCW; creating new sections; repealing chapters 83.01, 83.04, 83.05, 83.08, 83.12, 83.14, 83.16, 83.20, 83.24, 83.28, 83.32, 83.36, 83.40, 83.44, 83.48, 83.52, 83.58, 83.60, and 83.98 RCW; prescribing penalties; and providing an effective date.

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

**NEW SECTION.** Sec. 83.100.010. SHORT TITLE. This chapter may be cited as the "Estate and Transfer Tax Reform Act of 1981."

**NEW SECTION.** Sec. 83.100.020. DEFINITIONS. As used in this chapter:

(1) "Decedent" means a deceased individual;

(2) "Department" means the department of revenue, the director of that department, or any employee of the department exercising authority lawfully delegated to him by the director;

(3) "Federal credit" means the maximum amount of the credit for estate death taxes allowed by section 2011 for the decedent's net estate;

(4) "Gross estate" means "gross estate" as defined and used in section 2031 of the United States Internal Revenue Code of 1954, as amended or renumbered;

(5) "Net estate" means "taxable estate" as defined in section 2051 of the United States Internal Revenue Code of 1954, as amended or renumbered;

(6) "Nonresident" means a decedent who was domiciled outside Washington at his death;

(7) "Person" means any individual, estate, trust, receiver, cooperative association, club, corporation, company, firm, partnership, joint venture, syndicate, or other entity and, to the extent permitted by law, any federal, state, or other governmental unit or subdivision or agency, department, or instrumentality thereof;

(8) "Personal representative" means the executor or administrator of a decedent or, if no executor or administrator is appointed, qualified, and acting, any person who has possession of any property;

(9) "Property" means property included in the gross estate;

(10) "Release" means a release of no tax due or a receipt for payment of the tax due under this chapter;

(11) "Resident" means a decedent who was domiciled in Washington at time of death;

(12) "Section 2011" means section 2011 of the United States Internal Revenue Code of 1954, as amended or renumbered; and

(13) "Transfer" means "transfer" as defined and used in section 2001 of the United States Internal Revenue Code of 1954, as amended or renumbered.

**NEW SECTION.** Sec. 83.100.030. RESIDENTS—TAX IMPOSED—CREDIT FOR TAX PAID OTHER STATE. (1) A tax in an amount equal to the federal credit is imposed on the transfer of the net estate of every resident.

(2) If any property of a resident is subject to a death tax imposed by another state for which a credit is allowed by section 2011, and if the tax is imposed by the other state is not qualified by a reciprocal provision allowing the property to be taxed in the state of decedent's domicile, the amount of the tax due under this section shall be credited with the lesser of:

(a) The amount of the death tax paid the other state and credited against the federal estate tax; or

(b) An amount computed by multiplying the federal credit by a fraction, the numerator of which is the value of the property subject to the death tax imposed by the other state, and the denominator of which is the value of the decedent's gross estate.

**NEW SECTION.** Sec. 83.100.040. NONRESIDENTS—TAX IMPOSED—EXEMPTION. (1) Tax in an amount computed as provided in this section is imposed on the transfer of the net estate located in Washington of every nonresident.

(2) The tax shall be computed by multiplying the federal credit by a fraction, the numerator of which is the value of the property located in Washington, and the denominator of which is the value of the decedent's gross estate.

(3) The transfer of the property of a nonresident is exempt from the tax imposed by this section to the extent that the property of residents is exempt from taxation under the laws of the state in which the nonresident is domiciled.

**NEW SECTION.** Sec. 83.100.050. TAX REPORTS—DATE TO BE FILED—EXTENSIONS. (1) The personal representative of every estate



subject to the tax imposed by this chapter who is required by the laws of the United States to file a federal estate tax return shall file with the department on or before the date the federal estate tax return is required to be filed, including any extension of time for filing the federal estate tax return:

- (a) A report for the taxes due under this chapter; and
- (b) A true copy of the federal estate tax return.

(2) If the personal representative has obtained an extension of time for filing the federal return, the filing required by subsection (1) of this section shall be similarly extended until the end of the time period granted in the extension of time for the federal return. A true copy of the extension shall be filed with the department within thirty days of issuance.

(3) No Washington report need be filed if the estate is not subject to the tax imposed by this chapter.

(4) If the estate is not subject to the tax imposed by this chapter, the personal representative may apply to the department for the automatic issuance of a release of nonliability. The release, when issued, shall indicate it has been determined that the estate is not subject to the tax and that the estate and the personal representative are free of any claim by the state for taxes owed under this chapter.

**NEW SECTION.** Sec. 83.100.060. DATE PAYMENT DUE—DATE DEEMED RECEIVED. (1) The taxes imposed by this chapter shall be paid by the personal representative to the department on or before the date the return for the taxes is required to be filed under RCW 83.100.050.

(2) For the purposes of this chapter, a return or payment delivered to the department by United States mail shall be considered to have been received by the department on the date of the United States postmark stamped on the cover in which the payment or the request for release of nonliability is mailed, if the postmark date is within the time allowed for filing the return or making the payment, including any extensions.

**NEW SECTION.** Sec. 83.100.070. INTEREST ON AMOUNT DUE—EXTENSION OF TIME TO FILE FEDERAL RETURN. (1) Any tax due under this chapter which is not paid by the time prescribed for the filing of the report as provided in RCW 83.100.050, not including any extensions in respect to the filing of the report or the payment of the tax, shall bear interest at the rate of twelve percent per annum from the date any tax is due until paid.

(2) If the report provided for in RCW 83.100.050 is not filed within the time periods specified, then the personal representative shall pay, in addition to the interest provided in this section, a penalty equal to five percent of the tax due in respect to the transfer for each month beyond the time periods that the report has not been filed, but no penalty so imposed may exceed a total of twenty-five percent of the tax.

(3) If the personal representative has obtained an extension of time for payment of the federal tax, the personal representative may elect to extend the time for payment of the tax due under this chapter in accordance with the extension. The election shall be made by filing a true copy of the extension of time for payment with the report and the returns required under RCW 83.100.050.

**NEW SECTION.** Sec. 83.100.080. DEPARTMENT TO ISSUE RELEASE—FINAL SETTLEMENT OF ACCOUNT. (1) The department shall issue an automatic release to the personal representative when:

(a) No taxes imposed by this chapter are due and upon the receipt of a request for a release of nonliability, if the release includes the sworn statement of the personal representative that in fact no taxes are due; or

(b) The taxes due under this chapter have been paid as prescribed in RCW 83.100.050, and the request for a release includes the sworn statement of the personal representative that in fact all taxes due have been paid.

(2) The obtaining of this release shall give to the personal repre-

sentative sufficient authority to effectuate the transfer of all property composing the decedent's estate.

**NEW SECTION.** Sec. 83.100.090. AMENDED RETURNS—FINAL DETERMINATION. (1) If the personal representative files an amended federal return, the personal representative shall immediately file with the department an amended Washington report with a true copy of the amended federal return. If the personal representative is required to pay an additional tax under this chapter pursuant to the amended return, the personal representative shall pay the additional tax, together with interest as provided in RCW 83.100.070, at the same time the personal representative files the amended return, subject, however, to any extension election under RCW 83.100.070.

(2) Upon final determination of the federal tax due with respect to any transfer, the personal representative shall, within sixty days after the determination, give written notice of it to the department in such form as may be prescribed by rule. If any additional tax is due under this chapter by reason of the determination, the personal representative shall pay the same, together with interest as provided in RCW 83.100.070, at the same time he files the notice, subject, however, to any extension election under RCW 83.100.070.

**NEW SECTION.** Sec. 83.100.100. ADMINISTRATION—RULES. The department shall adopt such rules as may be necessary to carry into effect the provisions of this chapter, including rules relating to the return for taxes due under this chapter. The rules shall have the same force and effect as if specifically set forth in this chapter, unless declared invalid by a judgment of a court of record not appealed from.

**NEW SECTION.** Sec. 83.100.110. SALE OF PROPERTY TO PAY TAX—CREATION OF LIEN. (1) A personal representative may sell so much of any property as is necessary to pay the taxes due under this chapter. A personal representative may sell so much of any property specifically bequeathed or devised as is necessary to pay the proportionate amount of the taxes due on the transfer of the property and the fees and expenses of the sale, unless the legatee or devisee pays the personal representative the proportionate amount of the taxes due.

(2) Unless any tax due is sooner paid in full, it shall be a lien upon the gross estate of the decedent for a period of ten years from the date of death, except that such part of the gross estate as is used for the payment of charges against the estate and expenses of its administration, allowed by any court having jurisdiction thereof, shall be divested of the lien. Liens created under this subsection shall be qualified as follows:

(a) The limitation period, as described in this subsection, shall in each case be extended for a period of time equal to the period of pendency of litigation of questions affecting the determination of the amount of tax due, provided a lis pendens has been filed with the auditor of the county in which the property is located;

(b) Any part of the gross estate which is transferred to a bona fide purchaser shall be divested of the lien and the lien shall be transferred to the proceeds arising out of the transfer; and

(c) A mortgage on property pursuant to an order of court for payment of charges against the estate and expenses of administration shall constitute a lien upon the property prior and superior to the tax lien, which tax lien shall attach to the proceeds.

**NEW SECTION.** Sec. 83.100.120. LIABILITY FOR FAILURE TO PAY TAX BEFORE DISTRIBUTION OR DELIVERY. (1) Any personal representative who distributes any property without first paying, securing another's payment of, or furnishing security for payment of the taxes due under this chapter is personally liable for the taxes due to the extent of the value of any property that may come or may have come into the possession of the personal representative. Security for payment of the taxes due under this chapter shall be in an amount equal to or greater than the value of all property that is or has come into the possession of the personal representative, as of the time the security is furnished.



(2) Any person who has the control, custody, or possession of any property and who delivers any of the property to the personal representative or legal representative of the decedent outside Washington without first paying, securing another's payment of, or furnishing security for payment of the taxes due under this chapter is liable for the taxes due under this chapter to the extent of the value of the property delivered. Security for payment of the taxes due under this chapter shall be in an amount equal to or greater than the value of all property delivered to the personal representative or legal representative of the decedent outside Washington by such a person.

(3) For the purposes of this section, persons who do not have possession of a decedent's property include anyone not responsible primarily for paying the tax due under this section or their transferees, which includes but is not limited to mortgagees or pledgees, stockbrokers or stock transfer agents, banks and other depositories of checking and savings accounts, safe-deposit companies, and life insurance companies.

(4) For the purposes of this section, any person who has the control, custody, or possession of any property and who delivers any of the property to the personal representative or legal representative of the decedent may rely upon the release certificate or the release of nonliability certificate, furnished by the department to the personal representative, as evidence of compliance with the requirements of this chapter, and make such deliveries and transfers as the personal representative may direct without being liable for any taxes due under this chapter.

**NEW SECTION.** Sec. 83.100.130. REFUND FOR OVERPAYMENT. Whenever it is determined that a personal representative has overpaid the tax due under this chapter, the department may refund the amount of the overpayment, together with interest at the then existing statutory rate of interest. No claim for refund may be initiated more than one year after the date of the federal tax has been first paid.

**NEW SECTION.** Sec. 83.100.140. CRIMINAL ACTS RELATING TO ESTATE TAX RETURNS. Any person who wilfully fails to file a Washington estate tax return when required by this chapter or who wilfully files a false return commits a gross misdemeanor as defined in chapter 9A RCW and shall be punished as provided in Title 9A RCW for the perpetration of a gross misdemeanor.

**NEW SECTION.** Sec. 83.100.150. ADMINISTRATION BY DEPARTMENT—ACTION FOR COLLECTION OF TAX—APPEAL. (1) The department may collect the tax provided for in this chapter, including applicable interest and penalties, and shall represent this state in all matters pertaining to the same, either before courts or in any other manner. The department, through the attorney general, may institute proceedings for the collection of this tax and any interest and penalties on the tax. The superior court for any county which has assumed lawful jurisdiction over the property of the decedent for general probate or administration purposes under the laws of Washington shall have jurisdiction to hear and determine all questions in relation to the tax arising under the provisions of this chapter. If no probate or administration proceedings have been taken out in any court of this state, the superior court for the county in which the decedent was a resident, if the decedent was a domiciliary, or, if the decedent was a nondomiciliary, any court which has sufficient jurisdiction over the property of the decedent, the transfer of which is taxable, to issue probate or administration proceedings thereon, had the same been justified by the legal status of the property or had the same been applied for, shall have jurisdiction. Any such court first acquiring jurisdiction shall retain the same to the exclusion of every other.

(2) Nothing in this chapter denies the right of appellate review as provided by law and the Washington appellate rules.

**NEW SECTION.** Sec. 83.100.160. (1) The following chapters and their session law bases are each repealed: Chapters 83.01, 83.04, 83.05, 83.08, 83.12, 83.14, 83.16, 83.20, 83.24, 83.28, 83.32, 83.36, 83.40, 83.44, 83.48, 83.52, 83.58, 83.60, and 83.98 RCW.

(2) These repeals shall not be construed as affecting any existing right acquired under the statutes repealed or under any rule, regulation, or order adopted pursuant thereto; nor as affecting any proceeding instituted thereunder.

**NEW SECTION.** Sec. 83.100.170. As used in this act, section captions constitute no part of the law.

**NEW SECTION.** Sec. 83.100.180. Sections 83.100.010 through 83.100.150 of this act shall constitute a new chapter in Title 83 RCW to be designated chapter 83.100 RCW.

**NEW SECTION.** Sec. 83.100.190. This act shall take effect January 1, 1982.

## Senate Joint Resolution 107

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 IV, section 23 of the Constitution of the state of Washington to read as follows:

Article IV, section 23. There may be appointed in each county, by the judge of the superior court having jurisdiction therein, one or more court commissioners (~~not exceeding three in number~~), as provided by law who shall have authority to perform (~~like duties as a judge of the superior court at chambers, subject to revision by such judge, to take depositions and to perform~~) such (~~other~~) business connected with the administration of justice as may be prescribed by law.

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.

## Senate Joint Resolution 133

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 II, sections 1 and 1(a) of the state Constitution to read as follows:

Article II, section 1. The legislative authority of the state of Washington shall be vested in the legislature, consisting of a senate and house of representatives, which shall be called the legislature of the state of Washington, but the people reserve to themselves the power to propose bills, laws, and to enact or reject the same at the polls, independent of the legislature, and also reserve power, at their own option, to approve or reject at the polls any act, item, section, or part of any bill, act, or law passed by the legislature.

(a) Initiative: The first power reserved by the people is the initiative. (~~Ten per centum, but in no case more than fifty thousand, of the legal voters shall be required to propose any measure by such petition, and~~) Every such petition shall include the full text of the measure so proposed. In the case of initiatives to the legislature and initiatives to the people, the number of valid signatures of legal voters required shall be equal to eight percent of the votes cast for the office of governor at the last gubernatorial election preceding the initial filing of the text of the initiative measure with the secretary of state.

Initiative petitions shall be filed with the secretary of state not less than four months before the election at which they are to be voted upon, or not less than ten days before any regular session of the legislature. If filed at least four months before the election at which

they are to be voted upon, he shall submit the same to the vote of the people at the said election. If such petitions are filed not less than ten days before any regular session of the legislature, he shall ~~((transmit the same to the legislature as soon as it convenes and organizes))~~ certify the results within forty days of the filing. If certification is not complete by the date that the legislature convenes, he shall provisionally certify the measure pending final certification of the measure. Such initiative measures, whether certified or provisionally certified, shall take precedence over all other measures in the legislature except appropriation bills and shall be either enacted or rejected without change or amendment by the legislature before the end of such regular session. If any such initiative measures shall be enacted by the legislature it shall be subject to the referendum petition, or it may be enacted and referred by the legislature to the people for approval or rejection at the next regular election. If it is rejected or if no action is taken upon it by the legislature before the end of such regular session, the secretary of state shall submit it to the people for approval or rejection at the next ensuing regular general election. The legislature may reject any measure so proposed by initiative petition and propose a different one dealing with the same subject, and in such event both measures shall be submitted by the secretary of state to the people for approval or rejection at the next ensuing regular general election. When conflicting measures are submitted to the people the ballots shall be so printed that a voter can express separately by making one cross (X) for each, two preferences, first, as between either measure and neither, and secondly, as between one and the other. If the majority of those voting on the first issue is for neither, both fail, but in that case the votes on the second issue shall nevertheless be carefully counted and made public. If a majority voting on the first issue is for either, then the measure receiving a majority of the votes on the second issue shall be law.

(b) Referendum. The second power reserved by the people is the referendum, and it may be ordered on any act, bill, law, or any part thereof passed by the legislature, except such laws as may be necessary for the immediate preservation of the public peace, health or safety, support of the state government and its existing public institutions, either by petition signed by the required percentage of the legal voters, or by the legislature as other bills are enacted: PROVIDED, That the legislature may not order a referendum on any initiative measure enacted by the legislature under the foregoing subsection (a). ~~((Six per centum, but in no case more than thirty thousand, of the legal voters shall be required to sign and make a valid referendum petition.))~~ The number of valid signatures of registered voters required on a petition for referendum of an act of the legislature or any part thereof, shall be equal to or exceeding four percent of the votes cast for the office of governor at the last gubernatorial election preceding the filing of the text of the referendum measure with the secretary of state.

(c) No act, law, or bill subject to referendum shall take effect until ninety days after the adjournment of the session at which it was enacted. No act, law, or bill approved by a majority of the electors voting thereon shall be amended or repealed by the legislature within a period of two years following such enactment: PROVIDED, That any such act, law, or bill may be amended within two years after such enactment at any regular or special session of the legislature by a vote of two-thirds of all the members elected to each house with full compliance with section 12, Article III, of the Washington Constitution, and no amendatory law adopted in accordance with this provision shall be subject to referendum. But such enactment may be amended or repealed at any general regular or special election by direct vote of the people thereon.

(d) The filing of a referendum petition against one or more items, sections, or parts of any act, law, or bill shall not delay the remainder of the measure from becoming operative. Referendum petitions against measures passed by the legislature shall be filed with the secretary of state not later than ninety days after the final adjournment

of the session of the legislature which passed the measure on which the referendum is demanded. The veto power of the governor shall not extend to measures initiated by or referred to the people. All elections on measures referred to the people of the state shall be had at the ~~((biennial))~~ next succeeding regular general election~~((s))~~ following the filing of the measure with the secretary of state, except when the legislature shall order a special election. Any measure initiated by the people or referred to the people as herein provided shall take effect and become the law if it is approved by a majority of the votes cast thereon: PROVIDED, That the vote cast upon such question or measure shall equal one-third of the total votes cast at such election and not otherwise. Such measure shall be in operation on and after the thirtieth day after the election at which it is approved. The style of all bills proposed by initiative petition shall be: "Be it enacted by the people of the State of Washington." This section shall not be construed to deprive any member of the legislature of the right to introduce any measure. ~~((The whole number of electors who voted for governor at the regular gubernatorial election last preceding the filing of any petition for the initiative or for the referendum shall be the basis on which the number of legal voters necessary to sign such petition shall be counted.))~~ All such petitions shall be filed with the secretary of state, who shall be guided by the general laws in submitting the same to the people until additional legislation shall especially provide therefor. This section is self-executing, but legislation may be enacted especially to facilitate its operation.

~~((The legislature shall provide methods of publicity of all laws or parts of laws, and amendments to the Constitution referred to the people with arguments for and against the laws and amendments so referred, so that each voter of the state shall receive the publication at least fifty days before the election at which they are to be voted upon.))~~

(e) The legislature shall provide methods of publicity of all laws or parts of laws, and amendments to the Constitution referred to the people with arguments for and against the laws and amendments so referred. The secretary of state shall send one copy of the publication to each individual place of residence in the state and shall make such additional distribution as he shall determine necessary to reasonably assure that each voter will have an opportunity to study the measures prior to election. ~~((These provisions supersede the provisions set forth in the last paragraph of section 1 of this article as amended by the seventh amendment to the Constitution of this state.))~~

Article II, section 1(a). ~~((INITIATIVES AND REFERENDUM; SIGNATURES REQUIRED: Hereafter, the number of valid signatures of legal voters required upon a petition for an initiative measure shall be equal to eight per centum of the number of voters registered and voting for the office of governor at the last preceding regular gubernatorial election. Hereafter, the number of valid signatures of legal voters required upon a petition for a referendum of an act of the legislature or any part thereof, shall be equal to four per centum of the number of voters registered and voting for the office of governor at the last preceding regular gubernatorial election. These provisions supersede the requirements specified in section 1 of this article as amended by the seventh amendment to the Constitution of this state.))~~

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.

## House Joint Resolution 7

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 the Constitution of the state of Washington by adding a new section thereto to read as follows:

Article XXXII. Section 1. SPECIAL REVENUE FINANCING. The legislature may enact laws authorizing the state, counties, cities, towns, port districts, or public corporations established thereby to issue nonrecourse revenue bonds or other nonrecourse revenue obligations and to apply the proceeds thereof in the manner and for the purposes heretofore or hereafter authorized by law, subject to the following limitations:

(a) Nonrecourse revenue bonds and other nonrecourse revenue obligations issued pursuant to this section shall be payable only from money or other property received as a result of projects financed by the nonrecourse revenue bonds or other nonrecourse revenue obligations and from money and other property received from private sources.

(b) Nonrecourse revenue bonds and other nonrecourse revenue obligations issued pursuant to this section shall not be payable from or secured by any tax funds or governmental revenue or by all or part of the faith and credit of the state or any unit of local government.

(c) Nonrecourse revenue bonds or other nonrecourse revenue obligations issued pursuant to this section may be issued only if the issuer certifies that it reasonably believes that the interest paid on the bonds or obligations will be exempt from income taxation by the federal government.

(d) Nonrecourse revenue bonds or other nonrecourse revenue obligations may only be used to finance industrial development projects as defined in legislation.

(e) The state, counties, cities, towns, port districts, or public corporations established thereby, shall never exercise their respective attributes of sovereignty, including but not limited to, the power to tax, the power of eminent domain, and the police power on behalf of any industrial development project authorized pursuant to this section.

After the initial adoption of a law by the legislature authorizing the issuance of nonrecourse revenue bonds or other nonrecourse revenue obligations, no amendment to such act which expands the definition of industrial development project 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.

Sections 5 and 7 of Article VIII and section 9 of Article XII shall not be construed as a limitation upon the authority granted by this section. The proceeds of revenue bonds and other revenue obligations issued pursuant to this section for the purpose of financing privately owned property or loans to private persons or corporations shall be subject to audit by the state but shall not otherwise be deemed to be public money or public property for purposes of this Constitution. This section is supplemental to and shall not be construed as a repeal of or limitation on any other authority lawfully exercisable under the Constitution and laws of this state, including, among others, any existing authority to issue revenue bonds.

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 300, Laws of 1981. Although this measure will not be voted upon at the state general election on November 3, it contains the implementing statutes for House Joint Resolution 7 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 the voter's understanding of the effect of the adoption of that proposed amendment to the state constitution.

AN ACT Relating to local economic development; adding a new chapter to Title 39 RCW; creating new sections; and prescribing penalties.

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

**NEW SECTION.** Section 1. FINDING AND DECLARATION OF NECESSITY. The legislature hereby finds and declares that this state urgently needs to do the following: Promote higher employment; encourage the development of new jobs; maintain and supplement the capital investments in industry that currently exist in this state; encourage future employment by ensuring future capital investment; attract environmentally sound industry to the state; protect and enhance the quality of natural resources and the environment; and promote the production and conservation of energy.

**NEW SECTIONS.** Sec. 2. DEFINITIONS. As used in this chapter, the following terms have the meanings indicated unless the context clearly requires otherwise.

(1) "Board of directors" means the board of directors of a public corporation.

(2) "Construction" or "construct" means construction and acquisition, whether by devise, purchase, gift, lease, or otherwise.

(3) "Facilities" means land, rights in land, buildings, structures, docks, wharves, machinery, transmission equipment, landscaping, utilities, approaches, roadways and parking, handling and storage areas, and similar ancillary facilities.

(4) "Financing document" means a lease, sublease, installment, sale agreement, conditional sale agreement, loan agreement, mortgage, deed of trust guaranty agreement, or other agreement for the purpose of providing funds to pay or secure debt service on revenue bonds.

(5) "Improvement" means reconstruction, remodeling, rehabilitation, extension, and enlargement; and "to improve" means to reconstruct, to remodel, to rehabilitate, to extend, and to enlarge.

(6) "Industrial development facilities" means manufacturing, processing, production, assembly, warehousing, transportation, pollution control, solid waste disposal, and energy facilities.

(7) "Municipality" means a city, town, county, or port district of this state.

(8) "Ordinance" means any appropriate method of taking official action or adopting a legislative decision by any municipality, whether known as a resolution, ordinance, or otherwise.

(9) "Project costs" means costs of (a) acquisition, construction, and improvement of any facilities included in an industrial development facility; (b) architectural, engineering, consulting, accounting, and legal costs related directly to the development, financing, and construction of an industrial development facility, including costs of studies assessing the feasibility of an industrial development facility; (c) finance costs, including discounts, if any, the costs of issuing revenue bonds, and costs incurred in carrying out any trust agreement; (d) interest during construction and during the six months after estimated completion of construction, and capitalized debt service or repair and replacement or other appropriate reserves; (e) the refunding of any outstanding obligations incurred for any of the costs



outlined in this subsection; and (f) other costs incidental to any of the costs listed in this section.

(10) "Revenue bond" means a nonrecourse revenue bond, nonrecourse revenue note, or other nonrecourse revenue obligation issued for the purpose of financing an industrial development facility on an interim or permanent basis.

(11) "User" means one or more persons acting as lessee, purchaser, mortgagor, or borrower under a financing document and may include a party who transfers the right of use and occupancy to another party by lease, sublease, or otherwise.

**NEW SECTION.** Sec. 3. PUBLIC CORPORATIONS—CREATION, DISSOLUTION. (1) For the purpose of facilitating economic development and employment opportunities in the state of Washington through the financing of the project costs of industrial development facilities, a municipality may enact an ordinance creating a public corporation for the purposes authorized in this chapter. The ordinance creating the public corporation shall approve a charter for the public corporation containing such provisions as are authorized by and not in conflict with this chapter. Any charter issued under this chapter shall contain in substance the limitations set forth in section 6 of this act. In any suit, action, or proceeding involving the validity or enforcement of or relating to any contract of the public corporation, the public corporation is conclusively presumed to be established and authorized to transact business and exercise its powers under this chapter upon proof of the adoption of the ordinance creating the public corporation by the governing body. A copy of the ordinance duly certified by the clerk of the governing body of the municipality shall be admissible in evidence in any suit, action, or proceeding.

(2) A public corporation created by a municipality pursuant to this chapter may be dissolved by the municipality if the public corporation: (a) Has no property to administer, other than funds or property, if any, to be paid or transferred to the municipality by which it was established; and (b) all its outstanding obligations have been satisfied. Such a dissolution shall be accomplished by the governing body of the municipality adopting an ordinance providing for the dissolution.

(3) The creating municipality may, at its discretion and at any time, alter or change the structure, organizational programs, or activities of a public corporation, including termination of the public corporation if contracts entered into by the public corporation are not impaired. Any net earnings of a public corporation, beyond those necessary for retirement of indebtedness incurred by it, shall not inure to the benefit of any person other than the creating municipality. Upon dissolution of a public corporation, title to all property owned by the public corporation shall vest in the municipality.

**NEW SECTION.** Sec. 4. BOARD OF DIRECTORS OF PUBLIC CORPORATION. The ordinance creating a public corporation shall include provisions establishing a board of directors to govern the affairs of the public corporation, what constitutes a quorum of the board of directors, and how the public corporation shall conduct its affairs.

**NEW SECTION.** Sec. 5. PUBLIC CORPORATIONS—DIRECTORS. It shall be illegal for a director, officer, agent, or employee of a public corporation to have, directly or indirectly, any financial interest in any property to be included in or any contract for property, services, or materials to be furnished or used in connection with any industrial development facility financed through the public corporation. Violation of any provision of this section is a gross misdemeanor.

**NEW SECTION.** Sec. 6. PUBLIC CORPORATIONS—LIMITATIONS. No municipality may give or lend any money or property in aid of a public corporation. The municipality that creates a public corporation shall annually review any financial statements of the public corporation and at all times shall have access to the books and records of the public corporation. No public corporation may issue revenue obligations under this chapter except upon the approval of both the municipality under the auspices of which it was created and the county, city, or town within whose planning jurisdiction the proposed

industrial development facility lies. No revenue bonds may be issued pursuant to this chapter unless the board of directors of the public corporation proposing to issue revenue bonds makes a finding that in its opinion the interest paid on the bonds will be exempt from income taxation by the federal government. Revenue bonds issued by a public corporation under this chapter shall not be considered to constitute a debt of the state, of the municipality, or of any other municipal corporation, quasi municipal corporation, subdivision, or agency of this state or to pledge any or all of the faith and credit of any of these entities. The revenue bonds shall be payable solely from both the revenues derived as a result of the industrial development facilities funded by the revenue bonds, including, without limitation, amounts received under the terms of any financing document or by reason of any additional security furnished by the user of the industrial development facility in connection with the financing thereof, and money and other property received from private sources. Each revenue bond shall contain on its face statements to the effect that: (1) Neither the state, the municipality, or any other municipal corporation, quasi municipal corporation, subdivision, or agency of the state is obligated to pay the principal or the interest thereon; (2) no tax funds or governmental revenue may be used to pay the principal or interest thereon; and (3) neither any or all of the faith and credit nor the taxing power of the state, the municipality, or any other municipal corporation, quasi municipal corporation, subdivision, or agency thereof is pledged to the payment of the principal of or the interest on the revenue bond. A public corporation may incur only those financial obligations which will be paid from revenues received pursuant to financing documents, from fees or charges paid by users or prospective users of the industrial development facilities funded by the revenue bonds, or from the proceeds of revenue bonds. A public corporation established under the terms of this chapter constitutes an authority and an instrumentality (within the meaning of those terms in the regulations of the United States treasury and the rulings of the Internal Revenue Service prescribed pursuant to section 103 of the Internal Revenue Code of 1954, as amended) and may act on behalf of the municipality under whose auspices it is created for the specific public purposes authorized by this chapter. The public corporation is not a municipal corporation within the meaning of the state Constitution and the laws of the state, or a political subdivision within the meaning of the state Constitution and the laws of the state, including without limitation, Article VIII, section 7, of the Washington state Constitution. A municipality shall not delegate to a public corporation any of the municipality's attributes of sovereignty, including, without limitation, the power to tax, the power of eminent domain, and the police power.

**NEW SECTION.** Sec. 7. PUBLIC CORPORATIONS—AUDIT BY STATE. The finances of any public corporation are subject to examination by the state auditor's office pursuant to RCW 43.09.260.

**NEW SECTION.** Sec. 8. PUBLIC CORPORATIONS—POWERS. (1) A public corporation created under this chapter has the following powers with respect to industrial development facilities together with all powers incidental thereto or necessary for the performance thereof:

(a) To construct and maintain one or more industrial development facilities;

(b) To lease to a lessee all or any part of any industrial development facility for such rentals and upon such terms and conditions, including options to purchase, as its board of directors considers advisable and not in conflict with this chapter;

(c) To sell by installment contract or otherwise and convey all or any part of any industrial development facility for such purchase price and upon such terms and conditions as its board of directors considers advisable which are not in conflict with this chapter;

(d) To make secured loans for the purpose of providing temporary or permanent financing or refinancing of all or part of the project cost of any industrial development facility, including the refunding of

any outstanding obligations, mortgages, or advances issued, made, or given by any person for the project costs; and to charge and collect interest on the loans for the loan payments upon such terms and conditions as its board of directors considers advisable which are not in conflict with this chapter;

(e) To issue revenue bonds for the purpose of financing all or part of the project cost of any industrial development facility and to secure the payment of the revenue bonds as provided in this chapter;

(f) As security for the payment of the principal of and interest on any revenue bonds issued and any agreements made in connection therewith, to mortgage, pledge, or otherwise encumber any or all of its industrial development facilities or any part or parts thereof, whether then owned or thereafter acquired, and to assign any mortgage and repledge any security conveyed to the public corporation, to secure any loan made by the public corporation and to pledge the revenues and receipts therefrom;

(g) To sue and be sued, complain, and defend in its corporate name;

(h) To make contracts and to execute all instruments necessary or convenient for the carrying out of its business;

(i) To have a corporate seal and to use the same by causing it, or a facsimile thereof, to be impressed or affixed or in any other manner reproduced;

(j) Subject to the limitations of section 6 of this act, to borrow money, accept grants from, or contract with any local, state, or federal governmental agency or with any financial, public, or private corporation;

(k) To make and alter bylaws not inconsistent with its charter for the administration and regulation of the affairs of the corporation;

(l) To collect fees or charges from users or prospective users of industrial development facilities to recover actual or anticipated administrative costs;

(m) To execute financing documents incidental to the powers enumerated in this subsection.

(2) No public corporation created under this chapter may operate any industrial development facility as a business other than as lessor, seller, or lender. The purchase and holding of mortgages, deeds of trust, or other security interests and contracting for any servicing thereof is not considered the operation of an industrial development facility.

(3) No public corporation may exercise any of the powers authorized in this section or issue any revenue bonds with respect to any industrial development facility unless the industrial development facility is located wholly within the boundaries of the municipality under whose auspices the public corporation is created or unless the industrial development facility comprises energy facilities or solid waste disposal facilities which provide energy for or dispose of solid waste from the municipality or the residents thereof.

**NEW SECTION. Sec. 9. REPORTING TO THE DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT.** (1) Prior to issuance of any revenue bonds, each public corporation shall submit a copy of its enabling ordinance and charter, a description of any industrial development facility proposed to be undertaken, and the basis for its qualification as an industrial development facility to the department of commerce and economic development.

(2) If the industrial development facility is not eligible under this chapter, the department of commerce and economic development shall give notice to the public corporation, in writing and by certified mail, within twelve working days of receipt of the description.

(3) The department of commerce and economic development shall report annually to the legislature and the governor on the amount of capital investment undertaken under this chapter and the amount of permanent employment reasonably related to the existence of such industrial development facilities.

(4) The department of commerce and economic development shall provide such advice and assistance to public corporations and

municipalities which have created or may wish to create public corporations as the public corporations or municipalities request and the department of commerce and economic development considers appropriate.

**NEW SECTION. Sec. 10. REVENUE BONDS—PROVISIONS.** (1) The principal of and the interest on any revenue bonds issued by a public corporation shall be payable solely from the funds provided for this payment from the revenues of the industrial development facilities funded by the revenue bonds. Each issue of revenue bonds shall be dated, shall bear interest at such rate or rates, and shall mature at such time or times as may be determined by the board of directors, and may be made redeemable before maturity at such price or prices and under such terms and conditions as may be fixed by the board of directors prior to the issuance of the revenue bonds or other revenue obligations.

(2) The board of directors shall determine the form and the manner of execution of the revenue bonds, including any interest coupons to be attached thereto, and shall fix the denomination or denominations of the revenue bonds and the place or places of payment of principal and interest. If any officer whose signature or a facsimile of whose signature appears on any revenue bonds or coupons ceases to be an officer before the delivery of the revenue bonds, the signature shall for all purposes have the same effect as if he had remained in office until delivery. The revenue bonds may be issued in coupon or in registered form or both as the board of directors may determine, and provisions may be made for the registration of any coupon revenue bonds as to the principal alone and also as to both principal and interest and for the reconversion into coupon bonds of any bonds registered as to both principal and interest. A public corporation may sell revenue bonds at public or private sale for such price and bearing interest at such fixed or variable rate as may be determined by the board of directors.

(3) The proceeds of the revenue bonds of each issue shall be used solely for the payment of all or part of the project cost of or for the making of a loan in the amount of all or part of the project cost of the industrial development facility for which authorized and shall be disbursed in such manner and under such restrictions, if any, provided in the resolution authorizing the issuance of the revenue bonds or in the trust agreement securing the bonds. If the proceeds of the revenue bonds of any series issued with respect to the cost of any industrial development facility exceeds the cost of the industrial development facility for which issued, the surplus shall be deposited to the credit of the debt service fund for the revenue bonds or used to purchase revenue bonds in the open market.

(4) A public corporation may issue interim notes in the manner provided for the issuance of revenue bonds to fund industrial development facilities prior to issuing other revenue bonds to fund such facilities. A public corporation may issue revenue bonds to fund industrial development facilities that are exchangeable for other revenue bonds when these other revenue bonds are executed and available for delivery.

(5) The principal of and interest on any revenue bonds issued by a public corporation shall be secured by a pledge of unexpended bond proceeds and the revenues and receipts received by the public corporation from the industrial development facilities funded by the revenue bonds pursuant to financing documents. The resolution under which the revenue bonds are authorized to be issued and any financing document may contain agreements and provisions respecting the maintenance or use of the industrial development facility covered thereby, the fixing and collection of rents, purchase price payments or loan payments, the creation and maintenance of special funds from such revenues or from revenue bond proceeds, the rights and remedies available in the event of default, and other provisions relating to the security for the bonds, all as the board of directors consider advisable which are not in conflict with this chapter.

(6) The governing body of the municipality under whose



auspices the public corporation is created shall approve by resolution any agreement to issue revenue bonds adopted by a public corporation, which agreement and resolution shall set out the amount and purpose of the revenue bonds. Additionally, no issue of revenue bonds, including refunding bonds, may be sold and delivered by a public corporation without a resolution of the governing body of the municipality under whose auspices the public corporation is created, adopted no more than sixty days before the date of sale of the revenue bonds specifically, approving the resolution of the public corporation providing for the issuance of the revenue bonds.

(7) All revenue bonds issued under this chapter and all interest coupons applicable thereto are negotiable instruments within the meaning of Article 8 of the Uniform Commercial Code, Title 62A RCW, regardless of form or character.

**NEW SECTION.** Sec. 11. REVENUE BONDS—REFUNDING. Each public corporation may provide by resolution for the issuance of revenue refunding bonds for the purpose of refunding any revenue bonds issued for an industrial development facility under this chapter, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption or maturity of the revenue bonds and, if considered advisable by the public corporation, for the additional purposes of financing improvements, extensions, or enlargements to the industrial development facility for another industrial development facility. The issuance of the revenue bonds, the maturities and other details thereof, the rights of the holders thereof, and the rights, duties, and obligations of the public corporation in respect to the same shall be governed by this chapter insofar as applicable.

**NEW SECTION.** Sec. 12. TRUST AGREEMENTS. Any bonds issued under this chapter may be secured by a trust agreement between the public corporation and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the state. The trust agreement may evidence a pledge or assignment of the financing documents and lease, sale, or loan revenues to be received from a lessee or purchaser of or borrower with respect to an industrial development facility for the payment of principal of and interest and any premium on the bonds as the same shall become due and payable and may provide for creation and maintenance of reserves for these purposes. A trust agreement or resolution providing for the issuance of the revenue bonds may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including covenants setting forth the duties in relation to the acquisition of property and the construction, improvement, maintenance, use, repair, operation, and insurance of the industrial development facility for which the bonds are authorized, and the custody, safeguarding, and application of all money. Any bank or trust company incorporated under the laws of the state which may act as depository of the proceeds of revenue bonds or of revenues may furnish such indemnifying bonds or pledge such securities as may be required by the corporation. A trust agreement may set forth the rights and remedies of the bondholders and of the trustee and may restrict the individual right of action by bondholders as is customary in trust agreements or trust indentures securing bonds and debentures of private corporations. In addition, a trust agreement may contain such provisions as the public corporation considers reasonable and proper for the security of the bondholders which are not in conflict with this chapter.

**NEW SECTION.** Sec. 13. COMMINGLING OF BOND PROCEEDS OR REVENUES WITH MUNICIPAL FUNDS PROHIBITED. No part of the proceeds received from the sale of any revenue bonds under this chapter, of any revenues derived from any industrial development facility acquired or held under this chapter, or of any interest realized on moneys received under this chapter may be commingled by the public corporation with funds of the municipality creating the public corporation.

**NEW SECTION.** Sec. 14. SUBLEASES AND ASSIGNMENTS. A lessee or contracting party under a sale contract or loan agreement shall not be required to be the eventual user of an industrial development facility if any sublessee or assignee assumes all of the obligations of the lessee or contracting party under the lease, sale contract, or loan agreement, but the lessee or contracting party or their successors shall remain primarily liable for all of its obligations under the lease, sale contract, or loan agreement and the use of the industrial development facility shall be consistent with the purposes of this chapter.

**NEW SECTION.** Sec. 15. DETERMINATION OF RENT. Before entering into a lease, sale contract, or loan agreement with respect to any industrial development facility, the public corporation shall determine that there are sufficient revenues to pay (1) the principal of and the interest on the revenue bonds proposed to be issued to finance the industrial development facility; (2) the amount necessary to be paid each year into any reserve funds which the public corporation considers advisable to establish in connection with the retirement of the proposed bonds and the maintenance of the industrial development facility; and (3) unless the terms of the lease, sale contract, or loan agreement provide that the lessee or contracting party shall maintain the industrial development facility and carry all proper insurance with respect thereto, the estimated cost of maintaining the industrial development facility in good repair and keeping it properly insured.

**NEW SECTION.** Sec. 16. PROCEEDINGS IN THE EVENT OF DEFAULT. The proceedings authorizing any revenue bonds under this chapter or any financing document securing the revenue bonds may provide that if there is a default in the payment of the principal of or the interest on the bonds or in the performance of any agreement contained in the proceedings or financing document, the payment and performance may be enforced by mandamus or by the appointment of a receiver in equity with power to charge and collect rents, purchase price payments, and loan repayments, and to apply the revenues from the industrial development facility in accordance with the proceedings or provisions of the financing document. Any financing document entered into under this chapter to secure revenue bonds issued under this chapter may also provide that if there is a default in the payment thereof or a violation of any agreement contained in the financing document, the industrial development facility may be foreclosed and sold under proceedings in equity or in any other manner now or hereafter permitted by law. Any financing document may also provide that any trustee under the financing document or the holder of any revenue bonds secured thereby may become the purchaser at any foreclosure sale if it is the highest bidder.

**NEW SECTION.** Sec. 17. CONSTRUCTION—SUPPLEMENTAL NATURE OF CHAPTER. This chapter supplements and neither restricts nor limits any powers which a municipality or presently authorized public corporation might otherwise have under any laws of this state.

**NEW SECTION.** Sec. 18. LEGISLATIVE DIRECTIVE. Sections 1 through 17 of this act shall constitute a new chapter in Title 39 RCW.

**NEW SECTION.** Sec. 19. CAPTIONS NOT PART OF LAW. As used in this chapter, captions constitute no part of the law.

**NEW SECTION.** Sec. 20. SEVERABILITY. If any provision of this act or its application to any person or circumstances is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.



# VOTER'S CHECKLIST

Every Washington voter will vote on five state measures at the state general election on Tuesday, November 3, 1981. 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 NO. 394

YES NO

Shall public agencies obtain voter approval prior to issuing bonds for the construction or acquisition of major public energy projects? .....

## INITIATIVE MEASURE NO. 402

Shall inheritance and gift taxes be abolished, and state death taxes be restricted to the federal estate tax credit allowed?

## SENATE JOINT RESOLUTION NO. 107

Shall constitutional limitations on powers and numbers of superior court commissioners be removed, and limitations be established by legislation? .....

## SENATE JOINT RESOLUTION NO. 133

Shall certification of initiatives to the legislature be required within forty days of filing and legislatively ordered referenda thereon prohibited? .....

## HOUSE JOINT RESOLUTION NO. 7

Shall industrial development bonds, repaid by such developments, not by public funds, be authorized for issuance by public governmental entities? .....

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# Official Voters Pamphlet

General Election Tuesday, November 3, 1981

**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.