

Dear Voter.

With your help, recent improvements to Washington's voting process have created one of the nation's strongest democracies. More than ever, our elections process suits the Northwest and protects your right to vote.

Instead of rushing to poll sites before work or during a lunch hour, most Washingtonians are enjoying the convenience of voting at home. Like our neighbors in Oregon, we've discovered that voting by mail fits our lifestyle. This safe method of voting increases turnout, promotes an informed electorate, and simplifies democracy — increasing the accuracy of every election. In 2008, at least 37 of 39 counties in our state will conduct all-mail elections.

Washington's democracy protects the right to vote for every citizen, including military and overseas citizens. Our state just finished its first August primary with enormous success. Moving the election from September to August allows a soldier stationed or deployed overseas to exercise the very privilege he or she protects. An August primary protects the right to vote by giving military and overseas citizens more time to receive, vote, and return their general election ballots. The date change is one of the most important election reforms passed in modern, state history.

As you study the 2007 Voters' Pamphlet and the measures and candidates who will most directly shape your community, please note the state symbols captured on the cover. Each speaks to Washington's proud heritage. The newest are the state amphibian, the Pacific chorus frog, native to both sides of the Cascades; the Walla Walla sweet onion, now the state vegetable; and *Lady Washington*, which has been designated Washington's official ship. It is a reproduction, built in Grays Harbor, that mirrors the *Columbia* (1750-98), commanded by Capt. Robert Gray. The *Columbia* was the first American ship to sail into Grays Harbor and the Columbia River (named, respectively, after Gray and his vessel).

I thank you for engaging in our democracy and your vital role in the success of so many election changes implemented during the last several election cycles. I urge you to use this important election resource, study campaign literature, and visit www.vote.wa.gov to make the most informed decisions on your ballot.

Remember to vote by November 6, 2007.

Sincerely,



SAM REED Secretary of State

Secretary of State Voter Information Hotline (800) 448-4881 TDD/TTY Hotline for the hearing or speech impaired (800) 422-8683 Visit our online voters' guide at www.vote.wa.gov

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Help America Vote Act Information

Under Section 402(a)(2) of the Help America Vote Act of 2002 (HAVA), P.L. 107-252 and Washington Administrative Code, Chapter 434-263, any person who believes that a violation of any provision of Title III of HAVA has occurred, is occurring, or is about to occur, may file a complaint with the Office of the Secretary of State. A complaint form can be found at www.secstate.wa.gov/elections/reform_federal.aspx or a letter containing the following information will be considered an acceptable complaint.

A. Person making complaint

Name, address, city, state, ZIP, county, home and work phone numbers.

B. Description of the alleged violation

- Please identify:
- 1. The facts of the alleged violation;
- 2. Witnesses, if any, and contact information if you have it;
- 3. Date and time you became aware of the alleged violation;
- 4. Location where the alleged violation occurred;
- 5. Who is responsible for the alleged violation; and
- 6. Other information that you think will be helpful in resolving your complaint.

All complaints must be **notarized** and filed no later than 30 calendar days of the date after the certification of the election at issue and sent to the Washington Secretary of State, Elections Division, PO Box 40229, Olympia, WA 98504-0229. The state shall make a final determination within 90 days of receiving the complaint.

Address Confidentiality Program

If you are a victim of domestic violence, sexual assault or stalking who has chosen not to register to vote because you are afraid your perpetrator will track you down through voter registration records, the Office of the Secretary of State has a program that might be able to help you. The Address Confidentiality Program (ACP) works together with community domestic violence and sexual assault programs in an effort to keep crime victims safer. The ACP provides participants with a substitute mailing address that can be used when the victim conducts business with state or local government agencies. The ACP also provides participants with the option of confidential voter registration. All ACP participants must be referred to the program by a local domestic violence or sexual assault advocate who can help develop a comprehensive safety plan.

Need More Information?

For more information about the ACP and the phone number of victim resources in your community, call the ACP toll-free at (800) 822-1065, TDD/TTY at (800) 664-9677 or visit www.secstate.wa.gov/acp.

Voter Qualifications

You may register and vote in elections in Washington State if you:

- Reside in Washington;
- Are a U.S. citizen;
- Are at least 18 years old on or before Election Day; and
- Have had your voting rights restored if you were ever convicted of a felony.

In Washington State, you do not declare political party membership when you register to vote.

Registration Deadlines

While you may register to vote at any time, keep in mind that there are registration deadlines prior to each election. You must be registered at least **30 days** before an election if you register by mail or through the Motor Voter program. You may register **in person** at the office of your county elections department up to **15 days** before an election. However, you must vote by absentee ballot for that particular election. The phone number and address of your county elections department is located in the back of this pamphlet.

How to Register to Vote

Forms are available on the Internet at **www.vote.wa.gov** or at your county elections department, public libraries, schools, and other government offices. You may also request a form through the State Voter Information Hotline. (*See Services and Additional Assistance on this page.*)

Keep Your Voter Registration Up-to-Date

If your voter registration record does not contain your *current* name or address, you may not be able to vote. You can use the mail-in voter registration form to let your county elections department know when you move or change your name, or go online to www.vote.wa.gov . You must re-register or transfer your registration at least **30 days** before the election to be eligible to vote in your new precinct.

Absentee Ballots

Absentee ballot requests must be made to your county elections department (not the Secretary of State). No absentee ballots

are issued on Election Day except to a registered voter who is a resident of a health care facility. A ballot may be requested in person, by phone, by mail, electronically, or by a member of your immediate family as early as **90 days** before an election.

You may also apply in writing to **automatically** receive an absentee ballot before each election. An absentee ballot request form is on the back page of this pamphlet. *If you have already requested an absentee ballot or have a permanent request for a ballot on file, please do not submit another application.*

Many of Washington's counties now conduct all elections by mail. You will receive your absentee or mail-in ballot approximately 14 days prior to the election. Upon receipt, vote your ballot. *Please do not* attempt to vote again at your polling location if your county still has poll sites. Absentee and mailin ballots must be signed and postmarked or delivered to your county elections department **on or before** Election Day. In order to assist processing, return your voted ballot early.

Election Dates and Poll Hours

The General Election is November 6, 2007. Polling place hours for counties with polling places are 7:00 a.m. to 8:00 p.m.

Services and Additional Assistance

Under the Help America Vote Act, each county is required to have special voting equipment for anyone unable to vote the ballot independently. This equipment is available at poll site locations, if your county has poll sites, at voting centers, or at your county elections department. Contact your county elections department for more information on voting your ballot or finding your poll site or nearest voting center. The phone number and address of your county elections department is located in this pamphlet.

Contact the Office of the Secretary of State for:

- Voters' Pamphlets in alternative formats (Braille, audio cassette, large print) or languages (Spanish, Chinese);
- Lists of initiatives and referenda; and
- Voter registration, voting, and absentee ballot information.

This information is also available at **www.vote.wa.gov** or call the Voter Information Hotline, (800) 448-4881 (TDD/TTY for the hearing- or speech-impaired *only* is (800) 422-8683).

| Request for Mail-In Voter Registration Form | | | | |
|--|---|--|--|--|
| (Please print) | | | | |
| Name: | | | | |
| 4.11 | | | | |
| City: | ZIP: | | | |
| | Number of forms requested: | | | |
| MAIL TO: Office of the Sec | retary of State, Voter Registration, PO Box 40230, Olympia, WA 98504-0230 | | | |

Contributions to Candidates and Political Committees

No person may make contributions to a state legislative candidate that exceed \$700 per election in which the candidate's name is on the ballot. Contributions to state executive candidates may not exceed \$1,400 in the primary and \$1,400 in the general election. A person may give unlimited funds to the exempt activities account of a political party, to ballot issue committees, or to other political committees. During the 21 days before the general election, however, a person may contribute no more than \$5,000 to a local or judicial office candidate, political party, or other political committee. Contributions from corporations, unions, businesses, associations, and similar organizations are permitted, subject to limits and other restrictions.

Registration and Reporting by Candidates and Political Committees

No later than two weeks after an individual becomes a candidate or a political committee is organized, a campaign finance registration statement must be filed with the Public Disclosure Commission (PDC) and the county elections department. (Committees that form within three weeks of the election must register within three business days.) The candidate or committee treasurer is also required to report periodically the source and amount of campaign contributions over \$25 and to list campaign expenditures. The occupation and employer of individuals giving more than \$100 to a campaign must also be identified.

These reports may be inspected and copied at the PDC's Olympia office, the county elections department in the county where the candidate lives, and on the Internet (www. pdc.wa.gov). Every candidate and political committee participating in the election must make their campaign books and records available for public inspection, by appointment, during the eight days before the election except Saturdays, Sundays, and legal holidays. Use the contact information provided on the campaign registration to make an appointment.

Independent Campaign Expenditures

Anyone making expenditures totaling \$100 or more in support of or in opposition to a state or local candidate or ballot measure (not including contributions made to a candidate or political committee) must file a report with the PDC and their county elections department within five days. Forms are available from the PDC and the county elections department, or can be downloaded from the PDC website. Finally, all political advertising must identify the person paying for the ad and may be required to include other information. Expenditures for independently sponsored political advertisements that cost \$1,000 or more and appear during the last three weeks before an election must be reported to the PDC within 24 hours of when the ad is first presented to the public. Sponsors of electioneering communications must electronically report expenditures within 24 hours of the communication being presented to the public. More information about independent ads and electioneering communications is available from the PDC.

Federal Campaigns

Contributions to U.S. Senate and House of Representative candidates are regulated by federal law. An individual may contribute a maximum of \$2,300 in the primary and \$2,300 in the general election to each candidate for U.S. Senator and U.S. Representative. Corporations and unions are prohibited from contributing from their general treasury funds to federal campaigns. Contributions may be made from separate segregated funds (also called political action committees or PACs). Copies of the federal campaign finance reports are available from the Federal Elections Commission (FEC).

Need More Information?

Contact the Public Disclosure Commission at 711 Capitol Way, Room 206, PO Box 40908, Olympia, WA 98504-0908, or by phone (360) 753-1111, email pdc@pdc.wa.gov, or www.pdc.wa.gov. For federal campaigns, contact the Federal Elections Commission by phone at (202) 694-1100, toll-free (800) 424-9530, TDD/TTY (202) 219-3336, or visit www.fec.gov.

Washington State's 2008 Presidential Primary

On February 19, 2008, Washingtonians will play a role in nominating a candidate for this country's highest office. The 2008 Presidential Primary is a particularly rich opportunity. For the first time since 1952, the race for the White House is wide open without an incumbent president or vice president on the campaign trail.

Washington voters can observe presidential contenders in their own communities taking a stand on defining regional issues directly impacting the state of Washington such as the Hanford Nuclear Reservation, dams, international trade, the Bonneville Power Administration, national forests, as well as the military.

History

In 1988, more than 200,000 Washington voters signed an initiative to the Legislature proposing a Presidential Primary. The Legislature adopted the initiative in 1989.

A Presidential Primary allows each Washington voter to participate in the nomination process; not just political party insiders who participate in the caucuses.

The candidates listed on the Presidential Primary ballot

Only major political party candidates may appear on the Presidential Primary ballot. Candidates are placed on the ballot one of two ways:

- 1) By direction of the Secretary of State if the candidate is generally advocated or recognized in national news media; or
- 2) By petition, signed by at least 1,000 members of the political party.

How the political parties will use the results of the Presidential Primary

Political parties retain the authority to decide if they will use the Presidential Primary to allocate delegates to the national nominating conventions. The political parties may also use caucus results, or a combination of primary results and caucus results.

The state Republican Party has decided that it will use the 2008 Presidential Primary to allocate 51 percent of its delegates. The remaining 49 percent of the delegates will be allocated based on caucus results. The state Democratic Party has decided to only use caucuses to allocate delegates in 2008.

Major Political Party Caucuses and Conventions

Major Political Party Caucuses

Candidates for most offices that appear in the general election are nominated in the state Primary. The office of President is an important exception to this rule. Candidates for President are nominated by the political parties at their national conventions. These nominations are based on the results of each state's Presidential Primary, party caucuses, or both.

The delegates to the national conventions are selected through precinct caucuses, county or legislative district conventions, and finally a state convention. Under national or state party rules, these national convention delegates may be bound or pledged to a particular candidate based on the number of votes that candidate received in the state's presidential primary or party caucuses.

The parties will invite voters to participate in the caucuses and will require participants to sign an oath declaring their party affiliation. The caucus is a neighborhood-level meeting open to all members of a particular political party. The Washington Democratic and Republican caucuses will be held on Saturday, February 9, 2008. Voters can participate in both the party caucuses and the Presidential Primary as long as they participate on behalf of the same party. In addition to the selection of delegates, participants have the opportunity to determine the party platform and resolutions, and meet party candidates for a variety of local, state and national offices. Each party will receive a list of voters who chose to affiliate with that party in the primary.

Rules and Procedures

Each political party has the authority under the United States Constitution and state law to adopt rules to govern the delegate selection process and other party activities that occur in conjunction

Need More Information?

with the caucuses and conventions. These party rules specify the number of delegates from each precinct to the county or legislative district convention, the number of delegates from each county or legislative district convention to the state convention, and the procedural rules for conducting the caucuses and conventions. A copy of the rules of either party should be available prior to the caucuses from the state committee of that party.

Additional Information

The dates and locations of all party caucuses and conventions receive advance press coverage and are generally advertised by the parties. Specific questions about nominating procedures should be directed to the parties. The contact information for the two major political parties is:

Washington State Democratic Central Committee

PO Box 4027 615 Second Avenue, Suite 580 Seattle, WA 98194 Phone: (206) 583-0664 Fax: (206) 583-0301 Website: www.wa-democrats.org Email: info@wa-democrats.org

Washington State Republican Party

16400 Southcenter Parkway, Suite 200 Seattle, WA 98188 Phone: (206) 575-2900 Fax: (206) 575-1730 Website: www.wsrp.org Email: comments@wsrp.org

Individuals who are interested in participating in the caucus process should contact their Precinct Committee Officer, the chairperson of their County Central Committee or the state party headquarters for specific information.

The Nomination Process for Independent and Minor Party Candidates

This summary of the procedures governing the nomination of independent and minor party candidates is **NOT** meant to be inclusive. Persons interested in this procedure should review Chapter 29.24 of the Revised Code of Washington.

Conventions

An independent or minor party candidate for partisan office must begin the qualification process by holding a nominating convention anytime between the first Saturday in May and the second Saturday in May. Nomination conventions for candidates for President and Vice President may also be held between the first Saturday in June and the fourth Saturday in July.

At least ten days before the convention, a notice must be published in a newspaper of general circulation in the county where the convention is to be held. The notice must list the date, time, and location of the convention, and the mailing address of the person or organization sponsoring the convention. The convention must be attended by at least 100 voters registered in the jurisdiction of the office.

Certificates of Nomination

The convention must issue a certificate of nomination listing the candidates nominated and including the signatures of registered voters attending the convention. Candidates for President and Vice President, U.S. Senate, U.S. Representative, or a statewide office must gather the signatures of at least 1,000 voters registered in the state. The 1,000 signatures may be gathered at multiple conventions. Candidates for all other offices must submit the signatures of at least 100 voters registered in the jurisdiction of the office. The 100 signatures must be gathered at a single convention.

The certificate of nomination must include specific information required by law, such as the name, address, and office of each candidate nominated, the name of the minor party or independent candidate, and a sworn statement from candidates for President and Vice President, if there are any, giving their consent to the nomination.

Where to File the Certificate of Nomination

The certificate must be filed with the appropriate filing officer no later than one week after the convention. Nominations for federal office, statewide office, or a legislative or judicial office that crosses county lines must be filed with the Office of the Secretary of State. Nominations for a legislative or judicial office that is within one county may be filed with either the Office of the Secretary of State or the county elections department. Nominations for all other partisan offices must be filed with the county elections department.

Verification of Signatures

The filing officer must check the certificate and verify that the signatures on the nominating petition meet the requirements of state law. Prior to the regular candidate filing period, the Secretary of State must notify the county elections department of all minor party and independent candidates who have filed valid certificates of nomination with the Office of the Secretary of State.

Presidential Electors

If the nomination is for candidates for President and Vice President, the convention must also submit a list of presidential electors to the Office of the Secretary of State no later than ten days after the convention.

Eligibility to File a Declaration of Candidacy

If the filing officer determines that the certificate of nomination is valid, the minor party or independent candidate must file a declaration of candidacy and pay the filing fee during the regular filing period. The requirement to file a declaration of candidacy does not apply to candidates for President and Vice President.

Need More Information?

For forms and more information, contact the Office of the Secretary of State, 520 Union Avenue SE, PO Box 40229, Olympia, WA 98504-0229 or your county elections department. The phone numbers and addresses are listed in the back of this pamphlet.

The Ballot Measure Process

The Washington State Constitution affords voters two basic methods of direct legislative power — the initiative and the referendum. While differing in process, both initiatives and referenda have the same effect of leaving the ultimate authority to legislate in the hands of the people.

The Initiative

The initiative process is the direct power of the voters to enact new laws or change existing laws. It allows the electorate to petition to place proposed legislation on the ballot. The initiative's only limitation is that it cannot be used to amend the state constitution.

There are two types of initiatives:



Initiatives to the People - Initiatives to the people, if certified to have sufficient signatures, are submitted for a vote of the people at the next state general election.

Initiatives to the Legislature - Initiatives to the Legislature, if certified, are submitted to the Legislature at its regular session each January. Once submitted, the Legislature must take one of the following three actions:

1) Adopt the initiative as proposed, in which case it becomes law without a vote of the people;

2) Reject or refuse to act on the proposed initiative, in which case the initiative must be placed on the ballot at the next state general election; or

3) Approve an amended version of the proposed initiative, in which case both the amended version and the original version must be placed on the ballot at the next state general election.

Any registered voter, acting individually or on behalf of an organization, may propose an initiative to create a new state law or to amend or repeal an existing statute.

To certify an initiative (to the people or to the Legislature), the sponsor must circulate the complete text of the proposal among voters and obtain a number of legal voter signatures equal to 8 percent of the total number of votes cast for the office of Governor at the last regular gubernatorial election.

Initiative measures appearing on the ballot require a simple majority vote to become law (except for gambling or lottery measures which require 60 percent approval).

The Referendum

Washington's referendum process is intended to give voters an opportunity to have the final say regarding laws either proposed or approved by the Legislature. The only acts that are exempt from the power of referendum are emergency laws — those that are necessary for the immediate preservation of the public peace, health or safety, and the support of state government and its existing institutions.

There are two types of referenda:



Referendum Bills - Referendum bills are proposed laws referred to the electorate by the Legislature.



Referendum Measures - Referendum measures are laws recently passed by the Legislature that are placed on the ballot because of petitions signed by voters.

Any registered voter, acting individually or on behalf of an organization, may demand, by petition, that a law passed by the Legislature be referred to a vote of the electorate prior to its going into effect (emergency legislation is exempt from the referendum process — see above).

To certify a referendum measure to the ballot, the sponsor must circulate among voters the text of the legislative act to be referred, and obtain a number of legal voter signatures equal to 4 percent of the total number of votes cast for the office of Governor at the last regular gubernatorial election.

A referendum certified to the ballot must receive a simple majority vote to become law (except for gambling and lottery measures which require 60 percent approval).

Please Note: The preceding information is not intended as a substitute for the statutes governing the initiative and referendum processes, but rather should be read in conjunction with them. Relevant sections of law are found in Article 2, Section 1 of the Washington State Constitution, Chapter 29A.72 RCW and WAC 434-379. To access these sections online, visit the Code Reviser's website at www1.leg.wa.gov/CodeReviser.





INITIATIVE MEASURE 960

Proposed by Initiative Petition

Official Ballot Title:

Initiative Measure No. 960 concerns tax and fee increases imposed by state government.

This measure would require two-thirds legislative approval or voter approval for tax increases, legislative approval of fee increases, certain published information on tax-increasing bills, and advisory votes on taxes enacted without voter approval.

Should this measure be enacted into law?

Yes [] No []

Note: The Official Ballot Title was written by the Attorney General as required by law. The Explanatory Statement was written by the Attorney General as required by law and revised by the court. The Fiscal Impact Statement was written by the Office of Financial Management. For more in-depth fiscal analysis, visit www.ofm.wa.gov/initiatives . The complete text of Initiative Measure 960 begins on page 24.



Fiscal Impact Statement

Summary of Fiscal Impact

Initiative 960 would result in added costs to prepare ten-year cost projections for proposed state tax and fee increases, to notify legislators and the public about proposed revenue legislation, and to conduct advisory votes on tax increases approved by the Legislature. Costs are estimated to be up to \$1.8 million a year, including \$1.2 million for local election expenses. Local government pays election costs in even-numbered years. The state pays a pro-rated share in odd-numbered years. Actual election costs for any particular year will depend on the number of tax measures referred to an advisory vote.

Assumptions Supporting Fiscal Impact Statement

The Office of Financial Management (OFM) will need up to \$205,000 in the first year, and \$154,000 in subsequent years for computer system modifications and staff dedicated to new responsibilities, including:

- Determining which proposed legislation and fee increases require a ten-year cost projection.
- Conducting analysis of costs to taxpayers from tax and fee increases and/or obtaining such analysis from other state agencies with the appropriate expertise.
- Updating cost projections for legislative amendments to the original proposal.
- Reporting the results of the ten-year cost analyses to legislators, the media, and citizens.
- Notifying legislators, the media, and citizens when bills that raise taxes or fees are scheduled for a legislative committee hearing, pass a legislative committee, or pass one house of the Legislature.
- Maintaining a web site with cost and legislative contact information for each proposed tax or fee increase.

The Office of Financial Management will work with state agencies that collect revenue from tax or fee increases to obtain data on ten-year costs, which is expected to require up to \$280,000 per year for staff in the Department of Revenue and an indeterminate amount in other agencies. OFM will review agency projections prior to publication. State agencies will also have to identify all proposed fee increases that would be subject to legislative approval under Initiative 960, but the additional cost to do this cannot be determined.

It is assumed that the required ten-year cost projection will include an estimate of additional tax or fee revenue generated and state agency administrative expenses. Depending on the proposal, the projection may also include the additional amount of the tax or fee that is estimated to be paid by the average taxpayer.



Fiscal Impact Statement (continued)

Although the exact number of advisory votes resulting from tax increases passed during any future legislative session cannot be predicted, state and local advisory election costs are assumed to be up to \$1.3 million, based on the assumptions below.

• Local and State Government: In printing official ballots, county auditors must provide a separate list with descriptions of any tax measures requiring an advisory vote of the people. Additional costs would be incurred if the number of measures increase the number of pages required for the ballot. One additional page, which could include several tax measures, would cost 37 cents (materials, production, and mailing). It is unknown how many counties would have to add pages to their ballots. If all counties add one page, the cost would be \$1.21 million for approximately 3.3 million ballots. Local government would pay this cost in even-numbered years.

The state reimburses counties for a pro-rated share of election costs in odd-numbered years when there are statewide measures on the ballot. Additional statewide advisory measures would result in more state costs.

Election costs would occur each year in which tax measures were referred for an advisory vote, but would vary based on the actual number of measures.

• Secretary of State: The Secretary of State will assign a serial number to each ballot measure, file the measure, and certify the measure for county auditors. It is estimated that the description, cost projection and legislator contact information for each ballot measure would require approximately four pages in the statewide voters' pamphlet, at a cost of \$94,000 (\$23,500 per page) for inclusion in 3.3 million pamphlets.

Initiative 960 requires a minimum of two pages in the voters' pamphlet for each tax source measure subject to an advisory vote. The need for an average four pages per measure is based on the following assumptions of space requirements: one-quarter page for the description of the measure; between one-half and one-and-one-half pages for the ten-year cost projection; and three pages for the contact information and voting record for all legislators.

• Attorney General: The Office of the Attorney General must identify tax legislation requiring an advisory vote and write a brief description of each measure. This cost is estimated at \$1,250 per ballot measure.

Explanatory Statement

The law as it presently exists:

An existing law states that the legislature may only take an action that raises state revenue if two-thirds of the members of each house of the legislature vote to do so. The same statute also states that if the action to increase revenue will result in expenditures that exceed the state expenditure limit, then the action to raise revenue will not take effect unless approved by a vote of the people. With limited exceptions, the state expenditure limit is the maximum amount that may be spent from the state general fund and related accounts in each fiscal year and is calculated using a formula based partly on average growth in personal income. The state expenditure limit is increased when the cost of a state program and related revenues are transferred to the general fund or a related account from another fund or account.

State law also authorizes some state agencies to charge various fees. Fees are different from taxes in that fees generally provide money to pay for specific services that the agency provides or to fulfill a particular regulatory purpose, while taxes ordinarily are designed to raise revenue for governmental services more generally. Where agencies are authorized to set fees, state law limits the size of any increase in fees during any fiscal year. Agencies are generally prohibited from raising any fee in any year by more than the rate of average growth in state personal income over the prior ten fiscal years. Greater increases require legislative approval.

State law establishes that the office of financial management is responsible for providing a fiscal note, which is a statement of fiscal impact, for all bills and resolutions which increase or decrease or tend to increase or decrease state government revenues or expenditures. A fiscal note indicates by fiscal year the impact for the remainder of the biennium in which the bill or resolution



Explanatory Statement (continued)

The law as it presently exists: (continued)

would take effect as well as the cumulative impact for the next four fiscal years. A completed fiscal note is filed immediately with designated legislative committees. Whenever possible, a fiscal note is provided prior to or at the time the bill or resolution to which it relates is first heard by the applicable legislative committee. A fiscal note remains attached to the bill or resolution throughout the legislative process whenever possible.

The state constitution requires that each house of the legislature maintain a journal of its proceedings. The state constitution also requires that the names of the members of the legislature voting for and against the final passage of a bill be entered in the journal.

The state constitution authorizes the legislature to refer legislative bills to the people for their approval or rejection at a general or special election. State law neither specifically authorizes nor specifically prohibits the use of non-binding advisory votes on legislative bills.

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

The measure applies to the existing requirement that any action taken by the legislature that "raises taxes" must be approved by a two-thirds vote. Specifically, the measure would clarify that the term "raises taxes" includes any legislative action that increases state tax revenue deposited in any fund, budget, or account, but does not include revenue neutral tax shifts. The measure would recognize that the legislature may, if it chooses, submit a tax increase to the voters for their approval or rejection in a referendum.

With limited exceptions, the measure would also require legislative approval for all new fees and fee increases. Agencies would no longer be authorized to increase fees by administrative action.

For any bill introduced in the legislature raising taxes or fees, the measure would require the office of financial management to promptly determine and provide to the public and members of the legislature a ten-year projection of its cost to taxpayers, including a yearly projection. The cost projection would be required for each revenue source in any such bill. The measure would require that the office of financial management report the cost projection analysis in a press release to be posted on its website, including the names and contact information for the sponsors and co-sponsors of any such bill. When a legislative committee schedules a public hearing for a bill raising taxes or fees, the measure would require the office of financial management to promptly report the most recent cost projection analysis and provide notice of the hearing to legislators, the media, and the public. When a bill raising taxes or fees is approved by a legislative committee or a majority of members of either house of the legislature, the measure would require the office of financial management to expeditiously update the cost projection and report the updated analysis to the legislature, the media and the public. The office of financial management would be required to prioritize the preparation of cost projection analyses and reporting and dissemination of cost projection information for bills raising taxes or fees. Such projections would take priority over producing fiscal notes. The measure would require that whenever possible, the cost projection analysis be provided, along with the fiscal notes, prior to or at the time the bill or resolution is first heard by the applicable legislative committee. As with fiscal notes, the cost projection analysis for bills increasing taxes or fees would be attached to the bill or resolution throughout the legislative process insofar as possible.

The measure would eliminate the current allowance for an increase in the state expenditure limit when the cost of a state program and related revenue are shifted to the general fund or a related fund from another fund or account if the revenue previously had been shifted from the general fund or a related fund.

The measure would require an advisory vote of the people to be placed on the next general election ballot if legislative action raising taxes is not subject to a referendum vote. If such legislative action involves more than one revenue source, the measure requires that each tax increase would be subject to a separate advisory vote of the people. The measure would not require an advisory vote of the people if legislative action raising taxes is otherwise subject to a vote of the people.

In order to implement the advisory vote, the measure would require the attorney general to determine legislative action that is subject to an advisory vote, send written notice to the secretary of state, and formulate a short description of each advisory vote measure. The measure would require county auditors to print advisory vote measures and their short description on the official ballots under a separate heading on the ballot entitled "Advisory Vote of the People." The measure would also require the general election voters' pamphlet to contain certain information about each advisory vote appearing on the ballot, including the short description written by the attorney general, the most recent ten-year cost projection analysis, each legislator's vote on final passage of the tax increase, and contact information for each legislator.



Statement For Initiative Measure 960

I-960 CLOSES LOOPHOLES THE LEGISLATURE PUT IN TAXPAYER PROTECTION INITIATIVE 601, VOTER-APPROVED IN 1993

I-601 put reasonable limits on state government's fiscal policies. But over the years, Olympia has put loophole after loophole into it to circumvent the law. I-960 closes those loopholes.

In 2005, the Court ruled the Legislature broke the law by shifting funds to spend the same money twice. Justice Owens called it "a shell game." Incredibly, Olympia defended itself saying I-601 DIDN'T SPECIFICALLY PROHIBIT THEM FROM SPENDING THE SAME MONEY TWICE! I-960 says shifted money isn't new revenue and can only be spent once.

For 13 years, the law has required two-thirds legislative approval for tax increases. The Legislature re-enacted this two-thirds requirement in 1998 and 2005. But to circumvent the law, Olympia takes tax increases off-budget. I-960 says Olympia must follow the law whether the tax increase is off-budget or on-budget.

No one is above the law, not even the Legislature.

TO CIRCUMVENT OUR CONSTITUTION AND REPEAL OUR RIGHTS,

OLYMPIA DECLARES A BILL AN "EMERGENCY"

I-960 alerts voters anytime Olympia imposes an "emergency" tax increase with two-pages in the general election voters pamphlet listing the costs, how legislators voted, and provides voter feedback with an advisory vote. We can't stop politicians from repealing our constitutionally-guaranteed rights, but we're entitled to know which politicians are doing it.

I-960 helps Olympia follow the law and respect our Constitution.

I-960 REQUIRES THE GOVERNMENT TO PUBLICLY DISCLOSE COSTS AND LEGISLATORS' SPONSORSHIP AND VOTING RECORDS ON ...

... any tax increase bill. I-960 guarantees email updates get sent to the press and the people anytime a tax increase bill "moves." The people have the right to know what Olympia is doing.

WASHINGTON'S THE 9TH HIGHEST TAXED STATE IN THE NATION – I-960 KEEPS US FROM HITTING #1

I-960 reminds politicians that taxpayers don't have bottomless wallets. Vote Yes.

For more information, call (425) 493-8707 or visit www.TheTaxpayerProtectionInitiative.com .

Rebuttal of Statement Against

Opponents' threats, lies, and scare tactics are hilarious (terrorist attacks? recession? flu?).

Washington has 13 years of positive experience with I-601 (Colorado's totally different).

I-960's protections affect tax increases, not fund transfers.

Government collects over \$50 BILLION EVERY YEAR. Even without tax hikes, revenue grows. If prioritized, that's more than enough.

Send politicians a message: stop declaring "emergencies" – they short-circuit our rights. Stop breaking the law.

Approve I-960 because politicians can't control themselves. Vote Yes.

Voters' Pamphlet Argument Prepared by:

ERMA TURNER, beauty shop owner, gathered 3,455 signatures, Cle Elum; STEVEN BENCZE, retired warehouseman, fisherman/hunter, gathered 2,461 signatures, Othello; ERIC PHILLIPS, hiker, label company owner, gathered 2,348 signatures, Everett; KAREN CURRY, housewife, husband Lee (plumber), gathered 2,172 signatures, Yakima; ANDRE GARIN, retired postal worker, bowler, gathered 1,989 signatures, Vancouver, MIKE DUNMIRE, husband, community leader, retired businessman, initiative volunteer, Woodinville.

Statement Against Initiative Measure 960

All of us want greater accountability and openness from government. Initiative 960 pretends to do that, but will only make things worse.

I-960 WILL LEAD TO ENDLESS, EXPENSIVE ELECTIONS.

I-960 would require a public vote on countless budget items, no matter how small. The result? Less efficient government, long and confusing ballots, and millions of dollars wasted on endless elections.

I-960 WILL MAKE GOVERNMENT LESS EFFICIENT.

Routine fund transfers to address basic needs, such as road and bridge repairs, children's health care, or prescription drug assistance for seniors would require a two-thirds legislative vote *and* a public vote. This could cripple state government.

When a similar measure was enacted in Colorado, nonpartisan analysis revealed education funding dropped from 35^{th} in the nation to 49^{th} , child immunization rates fell to dead last among the 50 states, and prenatal care fell from 23^{rd} to 48^{th} . This must not happen in Washington State.

I-960 WILL NOT CUT TAXES, BUT IT WILL WASTE YOUR MONEY.

More elections and longer ballots are expensive to administer and process. Sorting out the many legal issues created by I-960's confusing and poorly written language will tie up the courts, costing taxpayers time and money.

I-960 WILL SLOW GOVERNMENT'S RESPONSE, EVEN IN A CRISIS.

The initiative would leave us vulnerable in times of crisis. I-960 says the legislature can suspend supermajority legislative and public votes only during a natural disaster. Authorities would be handcuffed from responding quickly during an economic recession, pandemic flu, or even terrorist attacks.

I-960 is too risky and too expensive. Join police, firefighters, teachers, nurses, Children's Alliance, Washington Association of Churches, Washington Conservation Voters, Washington State Labor Council, business and citizens across Washington in voting *No on 960*.

For more information, call (206) 501-4342 or visit www.no960.com .

Rebuttal of Statement For

I-960 mandates wasteful, costly elections and would create mass confusion—not transparency and accountability. Dozens of complicated votes would only get 13-word descriptions. (Sec. 8)

I-960 is so complex even sponsor Tim Eyman admitted: "You asked for a short description of 960, I just can't give it to you." (Crosscut 8/13/07)

I-960 cannot be suspended due to a terrorist attack or economic crisis – only for a "natural disaster." (Sec. 5.3(a))

Vote NO on I-960.

Voters' Pamphlet Argument Prepared by:

RANDY RÉVELLE, Senior Vice President, Washington State Hospital Association; DOUG SHADEL, Director, AARP of Washington; JUDY HUNTINGTON, RN, Executive Director, Washington State Nurses Association; MIKE RAGAN, Kennewick High School teacher, WEA Vice President; MICHELLE MOULTON, M+M Painting, small business owner, Sammamish; KELLY FOX, President, Washington State Council of Firefighters.



REFERENDUM MEASURE 67

Passed by the Legislature and Ordered Referred by Petition

Official Ballot Title:

The legislature passed Engrossed Substitute Senate Bill 5726 (ESSB 5726) concerning insurance fair conduct related to claims for coverage or benefits and voters have filed a sufficient referendum petition on this bill.

This bill would make it unlawful for insurers to unreasonably deny certain coverage claims, and permit treble damages plus attorney fees for that and other violations. Some health insurance carriers would be exempt.

Should this bill be:

Approved [] Rejected []

Votes cast by the 2007 Legislature on final passage: Senate: Yeas, 31; Nays, 18; Absent, 0; Excused, 0. House: Yeas, 59; Nays, 38; Absent, 0; Excused, 1. **Note:** The Official Ballot Title was written by the court. The Explanatory Statement was written by the Attorney General as required by law and revised by the court. The Fiscal Impact Statement was written by the Office of Financial Management. For more in-depth fiscal analysis, visit www.ofm.wa.gov/initiatives. The complete text of Referendum Measure 67 begins on page 29.



Fiscal Impact Statement

Fiscal Impact Statement for Referendum 67

Referendum 67 is a referendum on ESSB 5726, a bill that would prohibit insurers from unreasonably denying certain insurance claims, permitting recovery up to triple damages plus attorney fees and litigation costs. This may increase frequency and amounts of insurance claims recovered by state and local government, the number of insurance-related suits filed in state courts, and increase state and local government insurance-premiums. Research offers no clear guidance for estimating the magnitude of these potential increases. Notice of insurance-related suits must be provided to the Office of the Insurance Commissioner prior to court filing, costing an estimated \$50,000 per year.

Assumptions for Fiscal Analysis of R-67

- There would likely be an increase in the number of cases filed in Superior Court related to the denial of insurance claims, but there is no data available to provide an accurate estimate of that fiscal impact. It is assumed that the impact to the operations of Washington courts would be greater than \$50,000 per year.
- Premiums for state and local governments that purchase auto, property, liability or other insurance may increase due to a potential increase in insurance companies' litigation costs and the amounts awarded to claimants.
- When the state or local government is a claimant, the referendum could increase the likelihood of recovering on the claim, and the amount recovered.
- Various studies have been conducted to determine how changes in law affecting insurance can affect costs for courts, insurance premiums, and claimant recovery. However, individual study results vary widely. Due to the conflicting research, there is no clear guidance for estimating the magnitude of the fiscal impact of potential increases in court costs, insurance premiums, or recovered claims.
- It is estimated that 300 notices per year of insurance-related lawsuits would be filed with the Office of the Insurance Commissioner, resulting in a minimum cost of less than \$50,000 per year increased cost to the agency.



Explanatory Statement

The law as it presently exists:

The state insurance code prohibits any person engaged in the insurance business from engaging in unfair methods of competition or in unfair or deceptive acts or practices in the conduct of their business. Some of these practices are set forth in state statute. The insurance commissioner has the authority to adopt rules defining unfair practices beyond those specified in statute. The commissioner has the authority to order any violators to cease and desist from their unfair practices, and to take action under the insurance code against violators for violation of statutes and regulations. Depending on the facts, the insurance commissioner could impose fines, seek injunctive relief, or take action to revoke an insurer's authority to conduct insurance business in this state.

Under existing law, an unfair denial of a claim against an insurance policy could give the claimant a legal action against the insurance company under one or more of several legal theories. These could include violation of the insurance code, violation of the consumer protection laws, personal injuries or property losses caused by the insurer's acts, or breach of contract. Depending on the facts and the legal basis for recovery, a claimant could recover money damages for the losses shown to have been caused by the defendant's behavior. Additional remedies might be available, depending on the legal basis for the claim.

Plaintiffs in Washington are not generally entitled to recover their attorney fees or litigation costs (except for small amounts set by state law) unless there is a specific statute, a contract provision, or recognized ground in case law providing for such recovery. Disputes over insurance coverage have been recognized in case law as permitting awards of attorney fees and costs. Likewise, plaintiffs in Washington are not generally entitled to collect punitive damages or damages in excess of their actual loss (such as double or triple the amount of actual loss), unless a statute or contract specifically provides for such payment.

The effect of the proposed measure, if approved:

This measure is a referral to the people of a bill (ESSB 5726) passed by the 2007 session of the legislature. The term "this bill" refers here to the bill as passed by the legislature. A vote to "approve" this bill is a vote to approve ESSB 5726 as passed by the legislature. A vote to "reject" this bill is a vote to reject ESSB 5726 as passed by the legislature.

ESSB 5726 would amend the laws concerning unfair or deceptive insurance practices by providing that an insurer engaged in the business of insurance may not unreasonably deny a claim for coverage or payment of benefits to any "first party claimant." The term "first party claimant" is defined in the bill to mean an individual, corporation, association, partnership, or other legal entity asserting a right to payment as a covered person under an insurance policy or insurance contract arising out of the occurrence of the contingency or loss covered by such a policy or contract.

ESSB 5726 would authorize any first party claimant to bring a lawsuit in superior court against an insurer for unreasonably denying a claim for coverage or payment of benefits, or violation of specified insurance commissioner unfair claims handling practices regulations, to recover damages and reasonable attorney fees, and litigation costs. A successful plaintiff could recover the actual damages sustained, together with reasonable attorney fees and litigation costs as determined by the court. The court could also increase the total award of damages to an amount not exceeding three times the actual damages, if the court finds that an insurer has acted unreasonably in denying a claim or has violated certain rules adopted by the insurance commissioner. The new law would not limit a court's existing ability to provide other remedies available at law. The claimant would be required to give written notice to the insurance commissioner's office at least twenty days before filing the lawsuit.

ESSB 5726 would not apply to a health plan offered by a health carrier as defined in the insurance code. The term "health carrier" includes a disability insurer, a health care service contractor, or a health maintenance organization as those terms are defined in the insurance code. The term "health plan" means any policy, contract, or agreement offered by a health carrier to provide or pay for health care services, with certain exceptions set forth in the insurance code. These exceptions include, among other things, certain supplemental coverage, disability income, workers' compensation coverage, "accident only" coverage, "dental only" and "vision only" coverage, and plans which have a short-term limited purpose or duration. Because these types of coverage fall outside the definition of "health plan," ESSB 5726's provision would apply to these exceptions to "health plans."

Statement For Referendum Measure 67

APPROVE 67 – MAKE THE INSURANCE INDUSTRY TREAT ALL CONSUMERS FAIRLY.

Referendum 67 simply requires the Insurance Industry to be fair and pay legitimate claims in a reasonable and timely manner. Without R-67, there is no penalty when insurers delay or deny valid claims. R-67 would help make the Insurance Industry honor its commitments by making it against the law to unreasonably delay or deny legitimate claims.

APPROVE 67 – RIGHT NOW, THERE IS NO PENALTY FOR DELAYING OR DENYING YOUR VALID CLAIM.

R-67 encourages the Insurance Industry to treat legitimate insurance claims fairly. R-67 allows the court to assess penalties if an insurance company illegally delays or denies payment of a legitimate claim.

APPROVE 67 – YOU PAY FOR INSURANCE. THEY SHOULD KEEP THEIR PROMISES.

When you pay your premiums on time, the Insurance Industry is supposed to pay your legitimate claims. Unfortunately, the Insurance Industry sometimes puts profits ahead of people and intentionally delays or denies valid claims. R-67 makes the Insurance Industry keep its promises and pay legitimate claims on time. That is why the Insurance Industry is spending millions of dollars to defeat it.

APPROVE 67 – JOIN BIPARTISAN OFFICIALS AND CONSUMER GROUPS SUPPORTING FAIR TREATMENT BY THE INSURANCE INDUSTRY.

Insurance Commissioner Mike Kriedler, former Insurance Commissioners, seniors, workers, and consumer groups urge you to approve R-67. Supporters include the Puget Sound Alliance of Senior Citizens, former Republican Party State Chair Dale Foreman, the Labor Council, and the Fraternal Order of Police.

APPROVE 67 – R-67 SIMPLY MAKES SURE CLAIMS ARE HANDLED FAIRLY.

If the Insurance Industry honors its commitments, R-67 does not impose any new requirements – other than making sure all claims are handled fairly. R-67 would have an impact only on those bad apples that unreasonably delay or deny valid insurance claims.

For more information, visit www.approve67.org.

Rebuttal of Statement Against

Washington is one of only 5 states with no penalty when the Insurance Industry intentionally denies a valid claim. That is why the Insurance Industry is spending millions to defeat R67. Referendum 67 is only on the ballot because the Insurance Industry used its special-interest influence to block it from becoming law. Now you can vote to *approve* R67 to make fair treatment by the Insurance Industry the law. Approve R67 for Insurance Fairness.

Voters' Pamphlet Argument Prepared by:

STEVE KIRBY, Chair, House Insurance, Financial Services, Consumer Protection Committee; TOM CAMPBELL, Chair, House Environmental Health Committee; DIANE SOSNE, RN, President SEIU 1199; SKIP DREPS, Government Relations Director Northwest Paralyzed Veterans; KELLY FOX, President, Washington State Council of Firefighters; STEVE DZIELAK, Director, Alliance for Retired Americans.

Statement Against Referendum Measure 67

REJECT FRIVOLOUS LAWSUITS. REJECT HIGHER INSURANCE RATES. REJECT R-67.

As if there weren't enough frivolous lawsuits jacking up insurance rates, Washington's trial lawyers have invented yet another way to file more lawsuits to fatten their pocketbooks. They wrote and pushed a law through the Legislature that permits trial lawyers to threaten insurance companies with *triple damages* to force unreasonable settlements that will *increase insurance rates for all consumers*. The trial lawyers also included a provision that *guarantees payment of attorneys' fees*, sweetening the incentive to file frivolous lawsuits. There's no limit on the fees they can charge. What does this mean for consumers? You guessed it: *higher insurance rates*.

TRIAL LAWYERS WIN. CONSUMERS LOSE.

R-67 is a *windfall for trial lawyers* at the expense of consumers. Trial lawyers backed a similar law in California, but the resulting explosion of fraudulent claims and frivolous lawsuits caused auto insurance prices to increase 48% more than the national average (according to a national actuarial study) and *it was later repealed*.

CURRENT LAW PROTECTS CONSUMERS.

Insurance companies have a legal responsibility to treat people fairly, and *consumers can sue insurance companies under current law* if they believe their claim was handled improperly. The Insurance Commissioner can—and does—levy stiff fines, or even ban an insurance company from the state, if the company mistreats consumers.

R-67 IS BAD NEWS FOR CONSUMERS. REJECT R-67.

Not only does R-67 raise auto and homeowners insurance rates, it applies to small businesses and doctors as well. That means *higher medical bills and higher prices* for goods and services.

Laws should reduce frivolous lawsuits, not create more. Reject R-67!

See for yourself. Visit www.REJECT67.org.

Rebuttal of Statement For

Don't be fooled.

Trial lawyers didn't push this law through the legislature to protect *your* rights. They want this law because it gives them new opportunities to file *frivolous lawsuits* and collect *fat lawyers' fees*.

Trial lawyers don't care if frivolous lawsuits jack up our insurance rates. *Consumers, doctors and small businesses will pay more* so trial lawyers can file more lawsuits and collect larger fees.

Reject frivolous lawsuits and excessive lawyers' fees. Reject 67.

Voters' Pamphlet Argument Prepared by:

W. HUGH MALONEY, M.D., President, Washington State Medical Association; DON BRUNELL, President, Association of Washington Business; RICHARD BIGGS, President, Professional Insurance Agents of Washington; DANA CHILDERS, Executive Director, Liability Reform Coalition; TROY NICHOLS, Washington State Director, National Federation of Independent Business; BILL GARRITY, President, Washington Construction Industry Council.

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ENGROSSED SUBSTITUTE SENATE JOINT RESOLUTION 8206

Proposed to the People by the Legislature Amendment to the State Constitution

Official Ballot Title:

The legislature has proposed a constitutional amendment on establishment of a budget stabilization account.

This amendment would require the legislature to transfer 1% of general state revenues to a budget stabilization account each year and prohibit expenditures from the account except as set forth in the amendment.

Should this constitutional amendment be:

Approved [] Rejected []

Votes cast by the 2007 Legislature on final passage: Senate: Yeas, 45; Nays, 3; Absent, 0; Excused, 1. House: Yeas, 74; Nays, 23; Absent, 0; Excused, 1. **Note:** The Official Ballot Title and Explanatory Statement were written by the Attorney General as required by law. The complete text of Engrossed Substitute Senate Joint Resolution 8206 begins on page 31.

Explanatory Statement

The constitutional provision as it presently exists:

The state constitution currently does not require a budget stabilization account. State statutes, however, currently establish an "emergency reserve fund." Under these statutes, the state treasurer is directed to transfer to the emergency reserve fund in each fiscal year a portion of revenues that exceed the "state expenditure limit." With limited exceptions, the state expenditure limit is the maximum amount that may be spent from the state general fund and certain other accounts in each fiscal year and is calculated based, in part, on growth in personal income. Under these statutes, money may be spent from the emergency reserve fund only with the approval of two-thirds of the members of each house of the legislature, and only if total expenditures would not exceed the state expenditure limit. Under existing statutes, if the balance of the emergency reserve fund exceeds 5% of annual state general fund revenues, then 75% of any balance over that amount shall be transferred to the student achievement fund, earmarked for certain education purposes, and 25% shall be transferred to the general fund.

The legislature may amend or repeal statutes generally and accordingly, may amend or repeal statutes relating to the emergency reserve fund.

The effect of the proposed amendment, if it is approved:

If approved, this amendment would add a new provision to the state constitution establishing a budget stabilization account in the state treasury. The legislature would be authorized to enact laws to carry out the purposes of this amendment. The constitutional amendment would require that 1% of "general state revenue" for each fiscal year be transferred into the budget stabilization account. "General state revenue" means all state money received in the treasury, with certain exceptions that include money from the ownership or operation of any facility, undertaking, or project; money received for restricted purposes; and money received from the sale of bonds. The legislature could appropriate additional amounts into the budget stabilization account if it so chooses.

The constitutional amendment would permit money to be appropriated from the budget stabilization account only in four circumstances. First, if the governor declares a state of emergency resulting from a catastrophic event that makes action by government necessary to protect life or public safety, then by a majority vote of each house of the legislature, money could be appropriated from the account to respond to that emergency. Second, if the official forecast for job growth in the state for any fiscal year is estimated to be less than 1%, then for that fiscal year, money could be appropriated from the account by a majority vote of each house of the legislature. Third, the legislature could appropriate money from the account at any time by favorable vote of at least three-fifths (60%) of the members of each house of the legislature. Fourth, if the balance in the budget stabilization account exceeds 10% of estimated general state revenues for that fiscal year, then by majority vote of each house, the legislature could appropriate any amount that exceeds 10% of estimated general state revenues, but solely for deposit in the education construction fund. Under existing statutes, unless approved by two-thirds majority of the legislature and the voters, funds in the education construction account may be appropriated only for common school and higher education construction.

Under laws enacted by the legislature that would go into effect on July 1, 2008, and only if this proposed constitutional amendment is approved, the emergency reserve account statute would be repealed, and funds remaining in that account would be transferred to the budget stabilization account.

Statement For ESSJR 8206

ESSJR 8206: WASHINGTON SHOULD SAVE FOR RAINY DAYS

Feast or famine? Washington's economy is sometimes up and sometimes down. Unexpected dips in state revenues from a down economy can force the legislature to either raise taxes or cut critical services just when they are needed most.

PREVENT TAX INCREASES AND PROTECT VITAL SERVICES

The Rainy Day Fund is a simple idea, recommended by the bipartisan Gates Tax Commission to save money during the good times so we are prepared for the bad.

Every year 1% of state revenues are automatically put into the fund.

Until the fund reaches 10% of state revenues, the money can only be spent when the economy declines seriously, as it did after 9/11, or if there is a catastrophic emergency requiring immediate action.

If other unforeseen circumstances come up, a 60% majority of the legislature can approve releases.

The spending rules are enforced by the Constitution, making the savings account more secure.

OVERWHELMING BIPARTISAN SUPPORT

The bill introducing this amendment was proposed by Governor Gregoire and approved by overwhelming bipartisan majorities in both the House and Senate.

REQUIRE OLYMPIA TO BUDGET LIKE WASHINGTON FAMILIES

Families prepare for rainy days. State government should do the same.

Vote YES on ESSJR 8206!

Rebuttal of Statement Against

Past responses to economic downturns illustrate the need for a rainy day fund.

After 9/11, cuts to education and health care for the needy. In the early 1990s, a \$1 billion tax increase.

In the early 1980s, a sales tax on food.

ESSJR 8206 would help prevent this in the future. It would set money aside during good times for use in bad times, thereby avoiding tax increases and protecting critical services.

Please vote Yes.

Voters' Pamphlet Argument Prepared by:

ROSS HUNTER, State Representative, Chairman, Finance Committee; LISA BROWN, State Senator, Majority Leader; JOSEPH ZARELLI, State Senator, Ranking Member, Ways and Means Committee; GARY ALEXANDER, State Representative, Ranking Member, Appropriations Committee; HUGH SPITZER, public finance lawyer and law professor.

Statement Against ESSJR 8206

PROPOSED STABILIZATION ACCOUNT VOTE RESTRICTS CRITICAL DECISIONS.

This proposal restricts the legislature's ability to make critical decisions by requiring a "super majority" vote for expenditures from the stabilization account. It would allow a small minority to block decisions by the majority and would apply even in critical areas such as spending for education and health care. It violates our long-standing practice of majority decision making. Exceptions are made only for a state of emergency or very low employment growth.

YOU CAN'T PREDICT THE FUTURE.

This resolution fails to look forward. We can never predict what will happen. A major earthquake might bring consensus to legislators from different parties – but what about cuts from the federal government or a crashing economy? Partisan politics may stop access to needed funds.

Unlike the U.S. Congress, our state must pass a balanced budget. Many programs necessary for the success of our children are now the state's responsibility. Let's not handcuff ourselves – restricting our ability to react to growing and unexpected needs.

ESSJR 8206 COULD HURT OUR SCHOOLS AND ESSENTIAL GOVERNMENT SERVICES.

Even when the state's economy is struggling, ESSJR 8206 will restrict our ability to react. Funds that may be needed to keep our schools afloat, assist our seniors, or stimulate the economy won't be available. We need stability – not politics.

VOTE NO ON ESSJR 8206.

Vote NO on ESSJR 8206 and keep politics out of our State's Constitution.

Rebuttal of Statement For

A constitutional rainy day fund is a simplistic temporary crutch to address potential budget problems.

It delays permanent solutions to our state's real budget problems.

As the revenue builds, it serves as a tempting source to fund programs through the initiative process.

A rainy day fund will be difficult to access in cases where spending is critical.

Vote NO on ESSJR 8206 to protect our schools and essential government services and to protect our Constitution.

Voters' Pamphlet Argument Prepared by:

HELEN SOMMERS, State Representative, Chair, Appropriations Committee; KEN JACOBSEN, State Senator, Chair, Natural Resources, Ocean, Recreation Committee; SAM HUNT, State Representative, Chair, State Government, Tribal Affairs Committee; JEANNE KOHL-WELLES, State Senator, Chair, Labor, Commerce, Research, Development Committee; RUTH KAGI, State Representative, Chair, Early Learning, Children's Services Committee; JIM MOELLER, State Representative, Co-chair, Joint Committee Veterans, Military Affairs.

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Official Ballot Title:

The legislature has proposed a constitutional amendment on inmate labor.

This amendment would authorize state-operated inmate labor programs and programs in which inmate labor is used by private entities through state contracts, and prohibit privately operated programs from unfairly competing with Washington businesses.

Should this constitutional amendment be:

Approved [] Rejected []

Votes cast by the 2007 Legislature on final passage: Senate: Yeas, 49; Nays, 0; Absent, 0; Excused, 0. House: Yeas, 83; Nays, 15; Absent, 0; Excused, 0. **Note:** The Official Ballot Title and Explanatory Statement were written by the Attorney General as required by law. The complete text of Senate Joint Resolution 8212 begins on page 31.

Explanatory Statement

The constitutional provision as it presently exists:

Article II, section 29, of the State Constitution currently requires the legislature to "provide for the working of convicts for the benefit of the state." The same section also provides that the labor of convicts "shall not be let out by contract" to private persons or entities. The State Supreme Court has construed this provision to permit state-run labor programs in prisons, but to prohibit the state from contracting with private for-profit or nonprofit entities to operate inmate labor programs in which inmates provide labor for the private entity.

Under current law, therefore, the state is required to provide for inmate labor for the benefit of the state, but the legislature may do so only through programs operated by the state. The legislature is prohibited from authorizing inmate labor programs under which private businesses or other private entities make use of inmate labor, operating through contracts with the state.

The effect of the proposed amendment, if it is approved:

If enacted, this amendment would authorize the legislature to provide for inmate labor programs operated directly by the state, and for programs under which private businesses or other private entities operate in a correctional facility, making use of inmate labor through contracts with the state. The amendment would provide that inmate labor programs operated by private entities shall not unfairly compete with Washington business, as determined by law. The term "convicts" would be changed to "inmates" in this provision.

If this amendment is enacted, the legislature would continue to be obligated to provide for inmate labor programs for the benefit of the state, but would be permitted to include programs established by contract with the state under which private entities use inmate labor, as well as programs operated directly by the state.

Statement For SJR 8212

We believe offenders should not just sit idle while they serve their time in state prison. They should work to reduce their burden on taxpayers by paying room and board, crime victim's compensation, court costs and any child support they might owe. One sure way to accomplish this is to allow private, for-profit or nonprofit businesses to employ offenders in our prisons, without putting the public's safety at risk.

Offenders working promotes safety both inside and outside our prisons. It keeps them busy while incarcerated. Work permitted under this constitutional amendment has been scientifically shown to reduce recidivism of offenders who are released. This will not only save taxpayers money but it will prevent future victimization. Reducing recidivism is at the heart of the bipartisan Offender Reentry Initiative signed into law this year.

The work allowed by this constitutional amendment had been available in our prisons, providing these benefits, for more than 20 years. In fact, in 2004, when legislation reauthorized and set new goals for Class I work, both business and labor agreed to noncompetition provisions in legislation, which the Legislature then enacted unanimously. But a technical Supreme Court ruling eliminated the work in 2004. This is why we are bringing this constitutional amendment to the public, to restore the benefits to the citizens of Washington this work can provide.

For more information, call (360) 457-2520.

Rebuttal of Statement Against

In addition to punishment, the most important purpose of our criminal justice system is to provide justice for victims. If SJR 8212 fails, victims will have to wait much longer, even decades, before receiving just compensation.

SJR 8212 requires that state law prevent unfair competition. Current law, enacted unanimously in 2004, already prohibits unfair competition, defines what unfair competition is and outlines detailed requirements that must be followed before any work will be approved.

Voters' Pamphlet Argument Prepared by:

JIM HARGROVE, State Senator, 24th Legislative District; MIKE CARRELL, State Senator, 28th Legislative District; AL O'BRIEN, State Representative, 1st Legislative District; JERALITA "JERI" COSTA, former Washington State Senator; DONALD G. PIERCE, Executive Director, Washington Association, Sheriffs and Police Chiefs.

Statement Against SJR 8212

JUSTICE SYSTEM IS IN PLACE TO DISPENSE PUNISHMENT

The criminal justice system is in place to dispense justice and punishment for crimes committed against society. While education and job training can prepare felons for a successful return to the community, it should not be to the detriment of law-abiding citizens competing for jobs or local businesses competing in the marketplace.

SJR 8212 TAKES JOBS FROM PRIVATE WORKERS

Proposed positions for inmates incarcerated in state correctional facilities are highly desired labor positions. These jobs should go to private workers outside prison walls who choose to live according to the rules.

NO ASSURANCE PRIVATE WORKERS WON'T BE NEGATIVELY IMPACTED

There are no guarantees SJR 8212 won't create unfair competition for Washington jobs and businesses. This is why unfair inmate labor was prohibited in the Constitution in the first place. SJR 8212 is a clear attempt to undo these constitutional protections for the workers and businesses of this state.

Government should create additional job opportunities for all Washingtonians, not focus a disproportionate share of its efforts on the inmate labor force.

SJR 8212 merely states that inmate labor programs may not unfairly compete with Washington businesses. It doesn't indicate how it will accomplish this goal. Without specific language in place outlining a clear plan, local businesses will be impacted by inmate work programs and law-abiding citizens seeking employment will be displaced by inmate laborers.

SJR 8212 IS UNNECESSARY

Preparing felons to return to the community with job skills can be accomplished through existing vocational training and educational programs that provide inmates future employment opportunities while not unfairly competing with local businesses, wrongfully displacing local workers, and negatively impacting local economies.

Rebuttal of Statement For

Offenders shouldn't sit idle in prison. However, taking jobs from law-abiding citizens isn't the answer. Supporters of SJR 8212 say work inside prison reduces recidivism. But are recidivism rates lowered enough to amend our Constitution? There is no answer to this question. Government should never compete with business. SJR 8212 takes jobs from private workers and gives them to prisoners without any mechanism to monitor whether local businesses and workers are negatively impacted.

Voters' Pamphlet Argument Prepared by:

LYNN SCHINDLER, State Representative, 4th Legislative District; LARRY CROUSE, State Representative, 4th Legislative District.



HOUSE JOINT RESOLUTION 4204

Proposed to the People by the Legislature Amendment to the State Constitution

Official Ballot Title:

The legislature has proposed a constitutional amendment on school district tax levies.

This amendment would provide for approval of school district excess property tax levies by simple majority vote of participating voters, and would eliminate supermajority approval requirements based on voter turnout in previous elections.

Should this constitutional amendment be:

Approved [] Rejected []

Votes cast by the 2007 Legislature on final passage: Senate: Yeas, 33; Nays, 16; Absent, 0; Excused, 0. House: Yeas, 79; Nays, 19; Absent, 0; Excused, 0. **Note:** The Official Ballot Title and Explanatory Statement were written by the Attorney General as required by law. The complete text of Engrossed House Joint Resolution 4204 begins on page 32.

Explanatory Statement

The constitutional provision as it presently exists:

The State Constitution (Article 7, section 2) generally limits state and local property taxes in any one year to a total not exceeding one percent (1%) of the true and fair money value of the property being taxed, unless that limit is exceeded for certain local taxing districts in the manner described in the Constitution. Levies exceeding the 1% limitation are commonly called "excess levies."

Most local government bodies, including school districts, may exceed the 1% limitation only with voter approval at an excess levy election where the vote satisfies one of two requirements. (1) If the number of voters who vote in the excess levy election exceeds 40% of the number who voted in the last general election in the district, then the excess levy is approved if at least 60% vote "yes." (2) If the number of voters who vote in the excess levy election is 40% or less than the number who voted in the last general election in the district, then the levy is approved if the "yes" votes total at least 60% of 40% of the number of voters who voted in the last general election in the district.

An excess levy proposition must be submitted to the voters not more than twelve months prior to the date on which the proposed levy would be made. An excess levy proposition may not be submitted more than twice in any twelve-month period. The vote may occur either at a regular or at a special election. A levy for the support of the common schools may provide such support for up to four years. A levy of additional taxes to support the construction, modernization, or remodeling of school facilities may provide support for up to six years.

The effect of the proposed amendment, if it is approved:

EHJR 4204 would amend Article 7, section 2, of the Constitution, to permit voter approval of a school district "excess levy" proposition by a majority of the voters voting on the proposition. In other words, the amendment would eliminate the 60% supermajority requirements based on the number of votes cast in the last general election in the district. The excess levy requirements would not change for levies by other local government bodies, and school districts would still be subject to the existing requirements concerning timing of levy elections. The amendments would also clarify that a proposition must be submitted not more than twelve months before the <u>initial</u> levy is to be made. The constitutional provisions permitting certain kinds of levies for up to four or six years would not be changed.

EHJR 4204 would also make several minor amendments to Article 2, section 7, of the Constitution to conform the language to current legislation drafting style. These changes are not intended to affect the substance or meaning of the Constitution.

Statement For EHJR 4204

VOTE YES ON 4204 TO SUPPORT OUR SCHOOLS

Most Washingtonians recognize the importance of public education – and the importance of local levies in providing our schools with vital, basic funding. That's why nearly all levies win majority-level support. The problem is that levies currently require a 60% "supermajority" to pass. 4204 will fix that, allowing a much more common "simple majority" of voters in a community to decide whether a school levy should pass.

LEVIES SUPPORT BASIC SCHOOL NEEDS

Local school levies provide many of our basic school needs, such as textbooks, building maintenance and repair, and smaller class sizes. And almost all school levies enjoy majority support. But many fail anyway – sometimes with 59% of the vote. That's just not fair to our kids.

LEVY FAILURES HURT OUR KIDS – AND WASTE MONEY

When a local levy fails, it results in deep budget cuts, teacher layoffs and other disruptions that hurt our kids and can take years to fix. Most levies eventually pass, sometimes on the second or third try. But this means that school districts waste a great deal of time and taxpayer money holding multiple elections when a majority of voters supported the levy in the first place.

SIMPLE MAJORITY ENJOYS STRONG BIPARTISAN SUPPORT

Lawmakers from both parties understand how important local levies are to our schools. That's why a two-thirds majority in both houses of the legislature – Republicans and Democrats alike – voted to put 4204 on the ballot. It is endorsed by parents, teachers, business leaders and citizens across Washington.

A vote for 4204 is a vote for our schools and provides for the basic needs of our students. Vote YES on 4204.

For more information, call (206) 658-5211.

Rebuttal of Statement Against

The NO statement is misleading. The current system is unfair to our children.

4204 will: • Require majority support of voters for school levies. • Strengthen schools for our kids, by enabling voters to provide vital needs such as textbooks, lower class size and safe, secure buildings. • Save money by reducing delays and costly repeat elections. • Simplify a complicated system created in the 1940s.

A vote for 4204 is a vote for schools.

Voters' Pamphlet Argument Prepared by:

LAURA BAY, President, Washington State PTA; RICH HADLEY, President/CEO, Greater Spokane Incorporated; MARY LINDQUIST, President, Washington Education Association and high school teacher; JIM KOWALKOWSKI, Director, Rural Education Center and Pomeroy Schools Superintendent; JAMES KELLY, President/ CEO, Urban League of Metropolitan Seattle; LISA MACFARLANE, President, League of Education Voters.

Statement Against EHJR 4204

THE BOTTOM LINE: THIS IS A PROPERTY TAX INCREASE – VOTE NO!

Why make it easier to raise property taxes when taxes are already rising rapidly? Property taxes will go up with this measure by allowing much larger levies to pass, making housing less affordable for seniors and working families.

PROTECT OUR STATE'S CONSTITUTIONAL TAX LIMIT CREATED BY YOU – THE VOTERS. VOTE NO!

Our Constitution limits state and local government property taxes to 1% of market value. You, the voters, said any increase *by any government* above this limit – an "excess levy" – must receive 60% approval by a minimum number of voters. The bar should remain higher to raise taxes above the 1% limit. EHJR 4204 *eliminates* this common-sense protection.

Should A Small Minority Be Able To Raise Your Taxes? EHJR 4204 also eliminates the voter turnout protection in our Constitution, enabling a very small number of voters to raise everyone's property taxes. For example: If only 100 people voted and 51 voted "Yes," everyone's property taxes would be raised! Currently, school districts ensure high voter turnouts, EHJR 4204 would discourage that.

OUR GOVERNOR'S AND LEGISLATURE'S CONSTITUTIONAL "PARAMOUNT DUTY" IS TO FUND EDUCATION FOR ALL WASHINGTON CHILDREN!

Should the quality of your child's education depend on where they attend school? EHJR 4204 hurts our children by widening disparities in per-pupil funding based on local property wealth. Since 1986, the state has pushed more school funding responsibility onto local school districts. The local responsibility of school funding has doubled, while the state's has declined – 4204 would accelerate that trend. It's time legislators and the governor make funding education #1.

EHJR 4204 WILL RAISE YOUR PROPERTY TAXES, WITHOUT IMPROVING EDUCATION – VOTE NO!

For more than 70 years, voters have repeatedly reaffirmed these property tax protections. Send Olympia a message: *Vote* "*NO*" on *EHJR* 4204!

Rebuttal of Statement For

Don't believe "many" levies fail. In 2006, 271 of 279 districts *passed* levies. Since 2000, the levy success rate is 98.2%.

What's not fair to kids and their parents is an excessive property tax bill. Our Constitution ensures affordable and accountable levies. If these constitutional protections are removed, your property taxes will increase faster.

It's the *state's constitutional* responsibility to provide for our schools' basic needs – *not* shift the responsibility to local taxpayers.

VOTE NO!

Voters' Pamphlet Argument Prepared by:

JANÉA HOLMQUIST, Senator, Ranking Republican, Early Learning, K-12 Committee; ED ORCUTT, State Representative, homeowner, and forester; ANGIE DORMAN, nationally-recognized teacher, 2006 American Star of Teaching; KELLY NIEMI, family forester and small business owner; STEVE APPEL, President, representing Washington Farm Bureau's 35,000 families; WYNN CANNON, Chairman, on behalf of League of Washington Taxpayers.

The Office of the Secretary of State is not authorized to edit statements, nor is it responsible for their contents.



SUBSTITUTE HOUSE JOINT RESOLUTION 4215

> Proposed to the People by the Legislature Amendment to the State Constitution

Official Ballot Title:

The legislature has proposed a constitutional amendment on investment of higher education permanent funds.

This amendment would authorize the investment of money in higher education permanent funds as permitted by law, and would permit investment in stocks or bonds issued by any company, if authorized by law.

Should this constitutional amendment be:

Approved [] Rejected []

Votes cast by the 2007 Legislature on final passage: Senate: Yeas, 45; Nays, 0; Absent, 0; Excused, 4. House: Yeas, 96; Nays, 2; Absent, 0; Excused, 0. **Note:** The Official Ballot Title and Explanatory Statement were written by the Attorney General as required by law. The complete text of Substitute House Joint Resolution 4215 begins on page 33.

Explanatory Statement

The constitutional provision as it presently exists:

The constitution (Article 8, section 5) generally prohibits using state funds for gifts or loans to any individual, association, company or corporation. Another provision (Article 12, section 9) prohibits the state from subscribing to, or having an interest in, the stock of any company, association, or corporation. These provisions generally bar the state and state institutions from investing state funds in stocks, bonds, or other securities issued by private companies and associations. In 1966, the Constitution was amended (Amendment 44, amending Article 16, section 5) to permit the permanent common school fund to be invested as authorized by law, without regard to the general constitutional restrictions.

The permanent common school fund is one of several permanent education funds in the state treasury. The primary source of money in these funds is income from the sale, lease, or management of lands granted by the United States to the State of Washington at statehood for educational purposes. In addition to the permanent common school fund, held for the benefit of the K-12 public school system, there are permanent funds established for various institutions of higher education. Amendment 44 did not include funds held by, or on behalf of, state institutions of higher education. Therefore, the higher education permanent funds are still subject to the original constitutional restrictions on investment.

The effect of the proposed amendment, if it is approved:

SHJR 4215 would add a new section to the Constitution permitting the legislature to decide by statute what investments would be permitted for moneys in the permanent funds established for any of the institutions of higher education in the state. The amendment would specifically permit the investment of these funds in stocks or bonds issued by any association, company, or corporation, to the extent the legislature authorizes such investments.

Statement For SHJR 4215 SHJR 4215: HELPING SUPPORT OUR STATE COLLEGES AND UNIVERSITIES

Washington State manages several "permanent funds" for the benefit of its institutions of higher education. These permanent funds hold money derived from the lease and sale of lands that were set aside for Washington's colleges and universities when it became a state. The earnings on these permanent funds are used for the construction and maintenance of our colleges and universities.

Our Constitution limits the investment of these permanent funds to instruments such as government bonds, resulting in very low returns. The Constitution has been amended three times to remove these restrictions from the State's common school (K-12) permanent fund; from the State's public pension funds, retirement funds and the industrial insurance fund; and from State funds held in trust for persons with developmental disabilities. By removing these restrictions those funds now provide greater benefits to taxpayers, retirees, employees and employers, and to persons with disabilities and their families. It is time to remove these restrictions from the permanent funds held for our colleges and universities as well.

SHJR 4215 will allow the State's higher education permanent funds to be invested in any manner authorized by the Legislature. This will allow those funds to produce a greater return for our colleges and universities and will ease the potential burden on taxpayers. The investments will be managed by investment professionals with the State Investment Board, which is bound by the highest fiduciary investment standards.

SHJR 4215: COMMON SENSE INVESTMENT IN OUR FUTURE

Vote Yes on SHJR 4215 to provide a more secure future for our colleges and universities.

Rebuttal of Statement Against

It's not gambling to allow our higher education funds to be invested in ways that are prudent and consistent with the standards imposed on professional trustees. SHJR 4215 merely allows for a more diversified mix of investments for the long term benefit of our colleges and universities. Other state funds are now invested under these standards and are realizing significantly improved returns. Don't leave our institutions of higher education behind. Vote yes for SHJR 4215.

Voters' Pamphlet Argument Prepared by:

PHYLLIS GUTIERREZ KENNEY, State Representative, 46th Legislative District; MARK SCHOESLER, State Senator, 9th Legislative District; KEN ALHADEFF, member – WSU Board of Regents, Chairman – Elttaes Enterprises; DANIEL J. EVANS, former Governor, Washington State.

Statement Against SHJR 4215 SHJR 4215 PLACES UNIVERSITY TRUST FUNDS AT RISK.

These funds should remain in stable investments that support families and communities, instead of gambling them in the stock market to create profits for stockbrokers.

Why are our university trust funds currently protected by our Constitution? When Washington became a state in 1889, Congress dedicated state lands to benefit the state's public universities. This means that the income generated by these lands will be available to support Washington's public universities –forever. We have a duty to safeguard this income for the benefit of future generations.

Why do sponsors of SHJR 4215 want to amend our Constitution? They want to undo legal protections on university trust funds in the hope of hitting it big in the stock market. Currently, that investment strategy is unconstitutional and illegal.

Why does our Constitution prohibit investment of most public funds in the stock market? The founders of our state wanted to protect money that belongs to the public–protect it from high stakes gambles–so they required the voters to approve a constitutional amendment before public funds can be put at significant risk in the stock market.

Why should I vote NO on SHJR 4215? Putting funds in the stock market may bring in big money, or be totally lost forever. Right now these funds are safely invested to bring in steady revenue to support universities now *and* in the future. Don't let our university trust funds end up like the losing ticket on the racetrack floor. Vote NO on this constitutional amendment.

Rebuttal of Statement For

Don't be misled! Removing constitutional restrictions on university trust funds will not provide greater benefits or ease burdens to taxpayers. Taxpayers would face a greater risk when these funds diminish due to certain swings in the stock market. Our investment in our higher education facilities should be supported by prudent long-term stable investments – not by desperately chasing a quick buck. Don't gamble our future.

Save our constitutional protections. Vote NO on SHJR 4215.

Voters' Pamphlet Argument Prepared by:

BOB HASEGAWA, State Representative, 11th Legislative District; GLENN ANDERSON, State Representative, 5th Legislative District.



INITIATIVE MEASURE NO. 960

AN ACT Relating to tax and fee increases imposed by state government; amending RCW 43.88A.020, 43.88A.030, 43.135.035, 29A.72.040, 29A.72.250, 29A.72.290, 29A.32.031, 29A.32.070, and 43.135.055; adding a new section to chapter 43.135 RCW; adding new sections to chapter 29A.72 RCW; creating new sections; and providing an effective date.

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

INTENT

NEW SECTION. Sec. 1. Washington has a long history of public interest in tax increases. The people have clearly and consistently illustrated their ongoing and passionate desire to ensure that taxpayers are protected. The people find that even without raising taxes, the government consistently receives revenue growth many times higher than the rate of inflation every year. With this measure, the people intend to protect taxpayers by creating a series of accountability procedures to ensure greater legislative transparency, broader public participation, and wider agreement before state government takes more of the people's money. This measure protects taxpayers and relates to tax and fee increases imposed by state government. This measure would require publication of cost projections, information on public hearings, and legislators' sponsorship and voting records on bills increasing taxes and fees, allow either two-thirds legislative approval or voter approval for tax increases, and require advisory votes on tax increases blocked from citizen referendum.

The intent of sections 2, 3, and 4 of this act: The people want a thorough, independent analysis of any proposed increase in taxes and fees. The people find that legislators too often do not know the costs to the taxpayers for their tax and fee increases and this fiscal analysis by the office of financial management will provide better, more accessible information. The people want a userfriendly method to track the progress of bills increasing taxes and fees, finding that transparency and openness leads to more public involvement and better understanding. The people want information on public hearings and legislators' sponsorship and voting records on bills increasing taxes and fees and want easy access to contact information of legislators so the people's voice can be heard. Section 2(5) and (6) of this act are intended to provide active, engaged citizens with the opportunity to be notified of the status of bills increasing taxes and fees. Such a notification system is already being provided by the state supreme court with regard to judicial rulings. Intent of RCW 43.88A.020: The cost projection reports required by section 2 of this act will simplify and facilitate the creation of fiscal notes. The people want the office of financial management to fully comply with the cost projections and other requirements of section 2 on bills increasing taxes or fees before fiscal notes. Cost projections and the other information required by section 2 are critically important for the Legislature, the media, and the public to receive before fiscal notes.

The intent of section 5 of this act: The two-thirds requirement for raising taxes has been on the books since 1993 and the people find that this policy has provided the legislature with a much stronger incentive to use existing revenues more cost effectively rather than reflexively raising taxes. The people want this policy continued and want it to be clear that tax increases inside and outside the general fund are subject to the two-thirds threshold. If the legislature cannot receive a two-thirds vote in the house of representatives and senate to raise taxes, the Constitution provides the legislature with the option of referring the tax increase to the voters for their approval or rejection at an election using a referendum bill. The people expect the legislature to respect, follow, and abide by the law, on the books for 13 years, to not raise taxes in excess of the state expenditure limit without two-thirds legislative approval and a vote of the people. Intent of RCW 43.135.035(5): When it comes to enactment of tax increases exceeding the state expenditure limit, the legislature has, in recent years, shifted money between funds to get around the voter approval requirement for tax increases above the state expenditure limit as occurred in 2005 with sections 1607 and 1701 of ESSB 6090. RCW 43.135.035(5) is intended to clarify the law so that the effective taxpayer protection of requiring voter approval for tax increases exceeding the state expenditure limit is not circumvented.

The intent of sections 6 through 13 of this act: Our state constitution guarantees to the people the right of referendum. In recent years, however, the legislature has thwarted the people's constitutional right to referendum by excessive use of the emergency clause. In 2005, for example, the legislature approved five hundred twenty-three bills and declared ninety-eight of them, nearly twenty percent, "emergencies," insulating them all from the constitution's guaranteed right to referendum. The Courts' reviews of emergency clauses have resulted in inconsistent decisions regarding the legality of them in individual cases. The people find that, if they are not allowed to vote on a tax increase, good public policy demands that at least the legislature should be aware of the voters' view of individual tax increases. An advisory vote of the people at least gives the legislature the views of the voters and gives the voters information about the bill increasing taxes and provides the voters with legislators' names and contact information and how they voted on the bill. The people have a right to know what's happening in Olympia. Intent of section 6(1) of this act: If the legislature blocks a citizen referendum through the use of an emergency clause or a citizen referendum on the tax increase is not certified for the next general election ballot, then an advisory vote on the tax increase is required. Intent of section 6(4) of this act: If there's a binding vote on the ballot, there's no need for a non-binding vote.

The intent of section 14 of this act: The people want to return the authority to impose or increase fees from unelected officials at state agencies to the duly elected representatives of the legislature or to the people. The people find that fee increases should be debated openly and transparently and up-or-down votes taken by our elected



INITIATIVE MEASURE NO. 960 (continued)

representatives so the people are given the opportunity to hold them accountable at the next election.

PROTECTING TAXPAYERS BY REQUIRING PUBLICATION OF COST PROJECTIONS, INFORMATION ON PUBLIC HEARINGS, AND LEGISLATORS' SPONSORSHIP AND VOTING RECORDS ON BILLS INCREASING TAXES AND FEES <u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 43.135

RCW and reads as follows:

(1) For any bill introduced in either the house of representatives or the senate that raises taxes as defined by RCW 43.135.035 or increases fees, the office of financial management must expeditiously determine its cost to the taxpayers in its first ten years of imposition, must promptly and without delay report the results of its analysis by public press release via email to each member of the house of representatives, each member of the senate, the news media, and the public, and must post and maintain these releases on its web site. Any ten-year cost projection must include a yearby-year breakdown. For any bill containing more than one revenue source, a ten-year cost projection for each revenue source will be included along with the bill's total ten-year cost projection. The press release shall include the names of the legislators, and their contact information, who are sponsors and co-sponsors of the bill so they can provide information to, and answer questions from, the public.

(2) Any time any legislative committee schedules a public hearing on a bill that raises taxes as defined by RCW 43.135.035 or increases fees, the office of financial management must promptly and without delay report the results of its most up-to-date analysis of the bill required by subsection (1) of this section and the date, time, and location of the hearing by public press release via email to each member of the house of representatives, each member of the senate, the news media, and the public, and must post and maintain these releases on its web site. The press release required by this subsection must include all the information required by subsection (1) of this section and the names of the legislators, and their contact information, who are members of the legislative committee conducting the hearing so they can provide information to, and answer questions from, the public.

(3) Each time a bill that raises taxes as defined by RCW 43.135.035 or increases fees is approved by any legislative committee or by at least a simple majority in either the house of representatives or the senate, the office of financial management must expeditiously re-examine and re-determine its ten-year cost projection due to amendment or other changes during the legislative process, must promptly and without delay report the results of its most up-to-date analysis by public press release via email to each member of the house of representatives, each member of the senate,

the news media, and the public, and must post and maintain these releases on its web site. Any ten-year cost projection must include a year-by-year breakdown. For any bill containing more than one revenue source, a ten-year cost projection for each revenue source will be included along with the bill's total ten-year cost projection. The press release shall include the names of the legislators, and their contact information, and how they voted on the bill so they can provide information to, and answer questions from, the public.

(4) For the purposes of this section, "names of legislators, and their contact information" includes each legislator's position (Senator or Representative), first name, last name, party affiliation (for example, Democrat or Republican), city or town they live in, office phone number, and office email address.

(5) For the purposes of this section, "news media" means any member of the press or media organization, including newspapers, radio, and television, that signs up with the office of financial management to receive the public press releases by email.

(6) For the purposes of this section, "the public" means any person, group, or organization that signs up with the office of financial management to receive the public press releases by email.

Sec. 3. RCW 43.88A.020 and 1994 c 219 s 3 are each amended to read as follows:

The office of financial management shall, in cooperation with appropriate legislative committees and legislative staff, establish a procedure for the provision of fiscal notes on the expected impact of bills and resolutions which increase or decrease or tend to increase or decrease state government revenues or expenditures. Such fiscal notes shall indicate by fiscal year the impact for the remainder of the biennium in which the bill or resolution will first take effect as well as a cumulative forecast of the fiscal impact for the succeeding four fiscal years. Fiscal notes shall separately identify the fiscal impacts on the operating and capital budgets. Estimates of fiscal impacts shall be calculated using the procedures contained in the fiscal note instructions issued by the office of financial management.

In establishing the fiscal impact called for pursuant to this chapter, the office of financial management shall coordinate the development of fiscal notes with all state agencies affected.

The preparation and dissemination of the ongoing cost projections and other requirements of section 2 of this act for bills increasing taxes or fees shall take precedence over fiscal notes.

Sec. 4. RCW 43.88A.030 and 1986 c 158 s 16 are each amended to read as follows:

When a fiscal note is prepared and approved as to form, accuracy, and completeness by the office of financial management, which depicts the expected fiscal impact of a bill or resolution, copies shall be filed immediately with:

(1) The chairperson of the committee to which the bill or resolution was referred upon introduction in the house of origin;

(2) The senate committee on ways and means, or its successor; and

(3) The house committees on revenue and appropriations, or their successors.



INITIATIVE MEASURE NO. 960 (continued)

Whenever possible, such fiscal note <u>and, in the case of a bill</u> <u>increasing taxes or fees, the cost projection and other information</u> <u>required under section 2 of this act</u> shall be provided prior to or at the time the bill or resolution is first heard by the committee of reference in the house of origin.

When a fiscal note has been prepared for a bill or resolution, a copy of the fiscal note shall be placed in the bill books or otherwise attached to the bill or resolution and shall remain with the bill or resolution throughout the legislative process insofar as possible. For bills increasing taxes or fees, the cost projection and other information required by section 2 of this act shall be placed in the bill books or otherwise attached to the bill or resolution and shall remain with the bill or resolution throughout the legislative process insofar as possible.

PROTECTING TAXPAYERS BY ALLOWING EITHER TWO-THIRDS LEGISLATIVE APPROVAL OR VOTER APPROVAL FOR TAX INCREASES

Sec. 5. RCW 43.135.035 and 2005 c 72 s 5 are each amended to read as follows:

(1) After July 1, 1995, any action or combination of actions by the legislature that ((raises state revenue or requires revenue-neutral tax shifts)) raises taxes may be taken only if approved by a two-thirds vote of each house of the legislature, and then only if state expenditures in any fiscal year, including the new revenue, will not exceed the state expenditure limits established under this chapter. Pursuant to the referendum power set forth in Article II, section 1(b) of the state Constitution, tax increases may be referred to the voters for their approval or rejection at an election.

(2)(a) If the legislative action under subsection (1) of this section will result in expenditures in excess of the state expenditure limit, then the action of the legislature shall not take effect until approved by a vote of the people at a November general election. The state expenditure limit committee shall adjust the state expenditure limit by the amount of additional revenue approved by the voters under this section. This adjustment shall not exceed the amount of revenue generated by the legislative action during the first full fiscal year in which it is in effect. The state expenditure limit shall be adjusted downward upon expiration or repeal of the legislative action.

(b) The ballot title for any vote of the people required under this section shall be substantially as follows:

"Shall taxes be imposed on in order to allow a spending increase above last year's authorized spending adjusted for inflation and population increases?"

(3)(a) The state expenditure limit may be exceeded upon declaration of an emergency for a period not to exceed twentyfour months by a law approved by a two-thirds vote of each house of the legislature and signed by the governor. The law shall set forth the nature of the emergency, which is limited to natural disasters that require immediate government action to alleviate human suffering and provide humanitarian assistance. The state expenditure limit may be exceeded for no more than twenty-four months following the declaration of the emergency and only for the purposes contained in the emergency declaration.

(b) Additional taxes required for an emergency under this section may be imposed only until thirty days following the next general election, unless an extension is approved at that general election. The additional taxes shall expire upon expiration of the declaration of emergency. The legislature shall not impose additional taxes for emergency purposes under this subsection unless funds in the education construction fund have been exhausted.

(c) The state or any political subdivision of the state shall not impose any tax on intangible property listed in RCW 84.36.070 as that statute exists on January 1, 1993.

(4) If the cost of any state program or function is shifted from the state general fund or a related fund to another source of funding, or if moneys are transferred from the state general fund or a related fund to another fund or account, the state expenditure limit committee, acting pursuant to RCW 43.135.025(5), shall lower the state expenditure limit to reflect the shift. For the purposes of this section, a transfer of money from the state general fund or a related fund to another fund or account includes any state legislative action taken that has the effect of reducing revenues from a particular source, where such revenues would otherwise be deposited into the state general fund or a related fund, while increasing the revenues from that particular source to another state or local government account. This subsection does not apply to the dedication or use of lottery revenues under RCW 67.70.240(3) or property taxes under RCW 84.52.068, in support of education or education expenditures.

(5) If the cost of any state program or function and the ongoing revenue necessary to fund the program or function are shifted to the state general fund or a related fund on or after January 1, 2007, the state expenditure limit committee, acting pursuant to RCW 43.135.025(5), shall increase the state expenditure limit to reflect the shift <u>unless the shifted revenue had previously been shifted from the general fund or a related fund</u>.

(6) For the purposes of this act, "raises taxes" means any action or combination of actions by the legislature that increases state tax revenue deposited in any fund, budget, or account, regardless of whether the revenues are deposited into the general fund.

PROTECTING TAXPAYERS BY REQUIRING AN ADVISORY VOTE OF THE PEOPLE WHEN THE LEGISLATURE BLOCKS A TAX INCREASE FROM A PUBLIC VOTE

<u>NEW SECTION.</u> Sec. 6. A new section is added to chapter 43.135 RCW and reads as follows:

(1) If legislative action raising taxes as defined by RCW 43.135.035 is blocked from a public vote or is not referred to the people by a referendum petition found to be sufficient under RCW 29A.72.250, a measure for an advisory vote of the people is required and shall be placed on the next general election ballot under this act.

Complete Text of INITIATIVE MEASURE NO. 960 (continued)

(a) If legislative action raising taxes involves more than one revenue source, each tax being increased shall be subject to a separate measure for an advisory vote of the people under the requirements of this act.

(2) No later than the first of August, the attorney general will send written notice to the secretary of state of any tax increase that is subject to an advisory vote of the people, under the provisions and exceptions provided by this act. Within five days of receiving such written notice from the attorney general, the secretary of state will assign a serial number for a measure for an advisory vote of the people and transmit one copy of the measure bearing its serial number to the attorney general as required by RCW 29A.72.040, for any tax increase identified by the attorney general as needing an advisory vote of the people for that year's general election ballot. Saturdays, Sundays, and legal holidays are not counted in calculating the time limits in this subsection.

(3) For the purposes of this section, "blocked from a public vote" includes adding an emergency clause to a bill increasing taxes, bonding or contractually obligating taxes, or otherwise preventing a referendum on a bill increasing taxes.

(4) If legislative action raising taxes is referred to the people by the legislature or is included in an initiative to the people found to be sufficient under RCW 29A.72.250, then the tax increase is exempt from an advisory vote of the people under this act.

Sec. 7. RCW 29A.72.040 and 2003 c 111 s 1805 are each amended to read as follows:

The secretary of state shall give a serial number to each initiative, referendum bill, $((\mathbf{or}))$ referendum measure, <u>or measure for an advisory vote of the people</u>, using a separate series for initiatives to the legislature, initiatives to the people, referendum bills, $((\mathbf{and}))$ referendum measures, <u>and measures for an advisory vote of the people</u>, and forthwith transmit one copy of the measure proposed bearing its serial number to the attorney general. Thereafter a measure shall be known and designated on all petitions, ballots, and proceedings as "Initiative Measure No. . . . ," "Referendum Bill No.," ((or)) "Referendum Measure No." or "Advisory Vote No."

<u>NEW SECTION.</u> Sec. 8. A new section is added to RCW 29A.72 and shall read as follows:

Within five days of receipt of a measure for an advisory vote of the people from the secretary of state under RCW 29A.72.040 the attorney general shall formulate a short description not exceeding thirty-three words and not subject to appeal, of each tax increase and shall transmit a certified copy of such short description meeting the requirements of this section to the secretary of state. The description must be formulated and displayed on the ballot substantially as follows: "The legislature imposed, without a vote of the people, (identification of tax and description of increase), costing (most upto-date ten-year cost projection, expressed in dollars and rounded to the nearest million) in its first ten years, for government spending. This tax increase should be:

Repealed . . .[] Maintained . . .[]"

Saturdays, Sundays, and legal holidays are not counted in calculating the time limits in this section. The words "This tax increase should be: Repealed . . . [] Maintained . . . []" are not counted in the thirty-three word limit for a short description under this section.

<u>NEW SECTION.</u> Sec. 9. A new section is added to RCW 29A.72 and shall read as follows:

When the short description is finally established under section 8 of this act, the secretary of state shall file the instrument establishing it with the proposed measure and transmit a copy thereof by mail to the chief clerk of the house of representatives, the secretary of the senate, and to any other individuals who have made written request for such notification. Thereafter such short description shall be the description of the measure in all ballots and other proceedings in relation thereto.

Sec. 10. RCW 29A.72.250 and 2003 c 111 s 1825 are each amended to read as follows:

If a referendum or initiative petition for submission of a measure to the people is found sufficient, the secretary of state shall at the time and in the manner that he or she certifies for the county auditors of the various counties the names of candidates for state and district officers certify to each county auditor the serial numbers and ballot titles of the several initiative and referendum measures and serial numbers and short descriptions of measures submitted for an advisory vote of the people to be voted upon at the next ensuing general election or special election ordered by the legislature.

Sec. 11. RCW 29A.72.290 and 2003 c 111 s 1829 are each amended to read as follows:

The county auditor of each county shall print on the official ballots for the election at which initiative and referendum measures <u>and</u> <u>measures for an advisory vote of the people</u> are to be submitted to the people for their approval or rejection, the serial numbers and ballot titles certified by the secretary of state <u>and the serial numbers</u> <u>and short descriptions of measures for an advisory vote of the</u> <u>people</u>. They must appear under separate headings in the order of the serial numbers as follows:

(1) Measures proposed for submission to the people by initiative petition will be under the heading, "Proposed by Initiative Petition";

(2) Bills passed by the legislature and ordered referred to the people by referendum petition will be under the heading, "Passed by the Legislature and Ordered Referred by Petition";

(3) Bills passed and referred to the people by the legislature will be under the heading, "Proposed to the People by the Legislature";

(4) Measures proposed to the legislature and rejected or not acted upon will be under the heading, "Proposed to the Legislature and



INITIATIVE MEASURE NO. 960 (continued)

Referred to the People";

(5) Measures proposed to the legislature and alternative measures passed by the legislature in lieu thereof will be under the heading, "Initiated by Petition and Alternative by Legislature<u>"</u>;

(6) Measures for an advisory vote of the people under RCW 29A.72.040 will be under the heading, "Advisory Vote of the People".

Sec. 12. RCW 29A.32.031 and 2004 c 271 s 121 are each amended to read as follows:

The voters' pamphlet must contain:

(1) Information about each <u>measure for an advisory vote of the</u> <u>people and each</u> ballot measure initiated by or referred to the voters for their approval or rejection as required by RCW 29A.32.070;

(2) In even-numbered years, statements, if submitted, advocating the candidacies of nominees for the office of president and vice president of the United States, United States senator, United States representative, governor, lieutenant governor, secretary of state, state treasurer, state auditor, attorney general, commissioner of public lands, superintendent of public instruction, insurance commissioner, state senator, state representative, justice of the supreme court, judge of the court of appeals, or judge of the superior court. Candidates may also submit a campaign mailing address and telephone number and a photograph not more than five years old and of a size and quality that the secretary of state determines to be suitable for reproduction in the voters' pamphlet;

(3) In odd-numbered years, if any office voted upon statewide appears on the ballot due to a vacancy, then statements and photographs for candidates for any vacant office listed in subsection (2) of this section must appear;

(4) In even-numbered years, a section explaining how voters may participate in the election campaign process; the address and telephone number of the public disclosure commission established under RCW 42.17.350; and a summary of the disclosure requirements that apply when contributions are made to candidates and political committees;

(5) In even-numbered years the name, address, and telephone number of each political party with nominees listed in the pamphlet, if filed with the secretary of state by the state committee of a major political party or the presiding officer of the convention of a minor political party;

(6) In each odd-numbered year immediately before a year in which a president of the United States is to be nominated and elected, information explaining the precinct caucus and convention process used by each major political party to elect delegates to its national presidential candidate nominating convention. The pamphlet must also provide a description of the statutory procedures by which minor political parties are formed and the statutory methods used by the parties to nominate candidates for president; (7) An application form for an absentee ballot;

(8) A brief statement explaining the deletion and addition of language for proposed measures under RCW 29A.32.080;

(9) Any additional information pertaining to elections as may be required by law or in the judgment of the secretary of state is deemed informative to the voters.

Sec. 13. RCW 29A.32.070 and 2003 c 111 s 807 are each amended to read as follows:

The secretary of state shall determine the format and layout of the voters' pamphlet. The secretary of state shall print the pamphlet in clear, readable type on a size, quality, and weight of paper that in the judgment of the secretary of state best serves the voters. The pamphlet must contain a table of contents. Federal and state offices must appear in the pamphlet in the same sequence as they appear on the ballot. Measures and arguments must be printed in the order specified by RCW 29A.72.290.

The voters' pamphlet must provide the following information for each statewide issue on the ballot <u>except measures for an advisory</u> vote of the people whose requirements are provided in subsection (11) of this section:

(1) The legal identification of the measure by serial designation or number;

(2) The official ballot title of the measure;

(3) A statement prepared by the attorney general explaining the law as it presently exists;

(4) A statement prepared by the attorney general explaining the effect of the proposed measure if it becomes law;

(5) The fiscal impact statement prepared under *RCW 29.79.075;

(6) The total number of votes cast for and against the measure in the senate and house of representatives, if the measure has been passed by the legislature;

(7) An argument advocating the voters' approval of the measure together with any statement in rebuttal of the opposing argument;

(8) An argument advocating the voters' rejection of the measure together with any statement in rebuttal of the opposing argument;

(9) Each argument or rebuttal statement must be followed by the names of the committee members who submitted them, and may be followed by a telephone number that citizens may call to obtain information on the ballot measure;

(10) The full text of the measure;

(11) Two pages shall be provided in the general election voters' pamphlet for each measure for an advisory vote of the people under section 6 of this act and shall consist of the serial number assigned by the secretary of state under RCW 29A.72.040, the short description formulated by the attorney general under section 8 of this act, the tax increase's most up-to-date ten-year cost projection, including a year-by-year breakdown, by the office of financial management under section 2 of this act, and the names of the legislators, and their contact information, and how they voted on the increase upon final passage so they can provide information



INITIATIVE MEASURE NO. 960 (continued)

to, and answer questions from, the public. For the purposes of this subsection, "names of legislators, and their contact information" includes each legislator's position (Senator or Representative), first name, last name, party affiliation (for example, Democrat or Republican), city or town they live in, office phone number, and office email address.

PROTECTING TAXPAYERS BY REQUIRING FEE INCREASES TO BE VOTED ON BY ELECTED REPRESENTATIVES, RATHER THAN IMPOSED BY UNELECTED OFFICIALS AT STATE AGENCIES

Sec. 14. RCW 43.135.055 and 2001 c 314 s 19 are each amended to read as follows:

(1) No fee may <u>be imposed or</u> increase<u>d</u> in any fiscal year ((by a percentage in excess of the fiscal growth factor for that fiscal year)) without prior legislative approval <u>and must be subject to the</u> accountability procedures required by section 2 of this act.

(2) This section does not apply to an assessment made by an

Complete Text of REFERENDUM MEASURE NO. 67

AN ACT Relating to creating the insurance fair conduct act; amending RCW 48.30.010; adding a new section to chapter 48.30 RCW; creating a new section; and prescribing penalties.

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

<u>NEW SECTION.</u> Sec. 1. This act may be known and cited as the insurance fair conduct act.

Sec. 2. RCW 48.30.010 and 1997 c 409 s 107 are each amended to read as follows:

(1) No person engaged in the business of insurance shall engage in unfair methods of competition or in unfair or deceptive acts or practices in the conduct of such business as such methods, acts, or practices are defined pursuant to subsection (2) of this section.

(2) In addition to such unfair methods and unfair or deceptive acts or practices as are expressly defined and prohibited by this code, the commissioner may from time to time by regulation promulgated pursuant to chapter 34.05 RCW, define other methods of competition and other acts and practices in the conduct of such business reasonably found by the commissioner to be unfair or deceptive after a review of all comments received during the notice and comment rule-making period.

agricultural commodity commission or board created by state statute or created under a marketing agreement or order under chapter 15.65 or 15.66 RCW, or to the forest products commission, if the assessment is approved by referendum in accordance with the provisions of the statutes creating the commission or board or chapter 15.65 or 15.66 RCW for approving such assessments.

CONSTRUCTION CLAUSE

<u>NEW SECTION.</u> Sec. 15. The provisions of this act are to be liberally construed to effectuate the intent, policies, and purposes of this act.

SEVERABILITY CLAUSE

<u>NEW SECTION.</u> Sec. 16. 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.

MISCELLANEOUS

<u>NEW SECTION.</u> Sec. 17. Subheadings and part headings used in this act are not part of the law.

<u>NEW SECTION.</u> Sec. 18. This act shall be known and cited as the Taxpayer Protection Act of 2007.

<u>NEW SECTION.</u> Sec. 19. This act takes effect December 6, 2007.

(3)(a) In defining other methods of competition and other acts and practices in the conduct of such business to be unfair or deceptive, and after reviewing all comments and documents received during the notice and comment rule-making period, the commissioner shall identify his or her reasons for defining the method of competition or other act or practice in the conduct of insurance to be unfair or deceptive and shall include a statement outlining these reasons as part of the adopted rule.

(b) The commissioner shall include a detailed description of facts upon which he or she relied and of facts upon which he or she failed to rely, in defining the method of competition or other act or practice in the conduct of insurance to be unfair or deceptive, in the concise explanatory statement prepared under RCW 34.05.325(6).

(c) Upon appeal the superior court shall review the findings of fact upon which the regulation is based de novo on the record.

(4) No such regulation shall be made effective prior to the expiration of thirty days after the date of the order by which it is promulgated.

(5) If the commissioner has cause to believe that any person is violating any such regulation, the commissioner may order such person to cease and desist therefrom. The commissioner shall deliver such order to such person direct or mail it to the person by registered mail with return receipt requested. If the person violates the order after expiration of ten days after the cease and desist order has been received by him or her, he or she may be fined by the commissioner a sum not to exceed two hundred and fifty dollars for each violation committed thereafter.

(6) If any such regulation is violated, the commissioner may



REFERENDUM MEASURE NO. 67 (continued)

take such other or additional action as is permitted under the insurance code for violation of a regulation.

(7) An insurer engaged in the business of insurance may not unreasonably deny a claim for coverage or payment of benefits to any first party claimant. "First party claimant" has the same meaning as in section 3 of this act.

<u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 48.30 RCW to read as follows:

(1) Any first party claimant to a policy of insurance who is unreasonably denied a claim for coverage or payment of benefits by an insurer may bring an action in the superior court of this state to recover the actual damages sustained, together with the costs of the action, including reasonable attorneys' fees and litigation costs, as set forth in subsection (3) of this section.

(2) The superior court may, after finding that an insurer has acted unreasonably in denying a claim for coverage or payment of benefits or has violated a rule in subsection (5) of this section, increase the total award of damages to an amount not to exceed three times the actual damages.

(3) The superior court shall, after a finding of unreasonable denial of a claim for coverage or payment of benefits, or after a finding of a violation of a rule in subsection (5) of this section, award reasonable attorneys' fees and actual and statutory litigation costs, including expert witness fees, to the first party claimant of an insurance contract who is the prevailing party in such an action.

(4) "First party claimant" means an individual, corporation, association, partnership, or other legal entity asserting a right to payment as a covered person under an insurance policy or insurance contract arising out of the occurrence of the contingency or loss covered by such a policy or contract.

(5) A violation of any of the following is a violation for the purposes of subsections (2) and (3) of this section:

(a) WAC 284-30-330, captioned "specific unfair claims settlement practices defined";

(b) WAC 284-30-350, captioned "misrepresentation of policy provisions";

(c) WAC 284-30-360, captioned "failure to acknowledge pertinent communications";

(d) WAC 284-30-370, captioned "standards for prompt investigation of claims";

(e) WAC 284-30-380, captioned "standards for prompt, fair and equitable settlements applicable to all insurers"; or

(f) An unfair claims settlement practice rule adopted under RCW 48.30.010 by the insurance commissioner intending to implement this section. The rule must be codified in chapter 284-30 of the Washington Administrative Code.

(6) This section does not limit a court's existing ability to make any other determination regarding an action for an unfair or deceptive practice of an insurer or provide for any other remedy that is available at law.

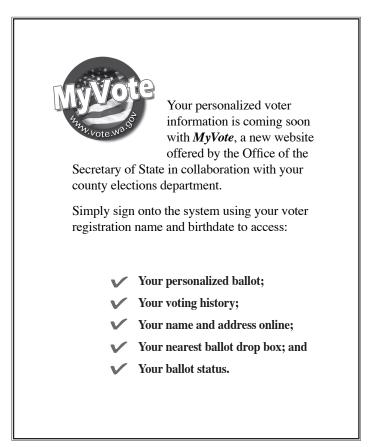
(7) This section does not apply to a health plan offered by a health carrier. "Health plan" has the same meaning as in RCW 48.43.005. "Health carrier" has the same meaning as in RCW 48.43.005.

(8)(a) Twenty days prior to filing an action based on this section, a first party claimant must provide written notice of the basis for the cause of action to the insurer and office of the insurance commissioner. Notice may be provided by regular mail, registered mail, or certified mail with return receipt requested. Proof of notice by mail may be made in the same manner as prescribed by court rule or statute for proof of service by mail. The insurer and insurance commissioner are deemed to have received notice three business days after the notice is mailed.

(b) If the insurer fails to resolve the basis for the action within the twenty-day period after the written notice by the first party claimant, the first party claimant may bring the action without any further notice.

(c) The first party claimant may bring an action after the required period of time in (a) of this subsection has elapsed.

(d) If a written notice of claim is served under (a) of this subsection within the time prescribed for the filing of an action under this section, the statute of limitations for the action is tolled during the twenty-day period of time in (a) of this subsection.



Complete Text of ENGROSSED SUBSTITUTE SENATE JOINT RES. NO. 8206

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 the secretary of state shall submit to the qualified voters of the state for their approval and ratification, or rejection, an amendment to Article VII of the Constitution of the state of Washington by adding a new section to read as follows:

Article VII, section (a) A budget stabilization account shall be established and maintained in the state treasury.

(b) By June 30th of each fiscal year, an amount equal to one percent of the general state revenues for that fiscal year shall be transferred to the budget stabilization account. Nothing in this subsection (b) shall prevent the appropriation of additional amounts to the budget stabilization account.

(c) Each fiscal quarter, the state economic and revenue forecast council appointed and authorized as provided by statute, or successor entity, shall estimate state employment growth for the current and next two fiscal years.

(d) Moneys may be withdrawn and appropriated from the budget stabilization account as follows:

(i) If the governor declares a state of emergency resulting from a catastrophic event that necessitates government action to protect life or public safety, then for that fiscal year moneys may be withdrawn and appropriated from the budget stabilization account, via separate legislation setting forth the nature of the emergency and containing an appropriation limited to the above-authorized purposes as

contained in the declaration, by a favorable vote of a majority of the members elected to each house of the legislature.

(ii) If the employment growth forecast for any fiscal year is estimated to be less than one percent, then for that fiscal year moneys may be withdrawn and appropriated from the budget stabilization account by the favorable vote of a majority of the members elected to each house of the legislature.

(iii) Any amount may be withdrawn and appropriated from the budget stabilization account at any time by the favorable vote of at least three-fifths of the members of each house of the legislature.

(e) Amounts in the budget stabilization account may be invested as provided by law and retained in that account. When the balance in the budget stabilization account, including investment earnings, equals more than ten percent of the estimated general state revenues in that fiscal year, the legislature by the favorable vote of a majority of the members elected to each house of the legislature may withdraw and appropriate the balance to the extent that the balance exceeds ten percent of the estimated general state revenues. Appropriations under this subsection (e) may be made solely for deposit to the education construction fund.

(f) As used in this section, "general state revenues" has the meaning set forth in Article VIII, section 1 of the Constitution. Forecasts and estimates shall be made by the state economic and revenue forecast council appointed and authorized as provided by statute, or successor entity.

(g) The legislature shall enact appropriate laws to carry out the purposes of this section.

(h) This section takes effect July 1, 2008.

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

Complete Text of SENATE JOINT RESOLUTION NO. 8212

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 the secretary of state shall submit to the qualified voters of the state for their approval and ratification, or rejection, an amendment to Article II, section 29 of the Constitution of the state of Washington to read as follows:

Article II, section 29. ((After the first day of January eighteen hundred and ninety)) The labor of ((convicts)) inmates of this state shall not be let out by contract to any person, copartnership, company, or corporation, except as provided by statute, and the legislature shall by law provide for the working of ((convicts)) inmates for the benefit of the state, including the working of

inmates in state-run inmate labor programs. Inmate labor programs provided by statute that are operated and managed, in total or in part, by any profit or nonprofit entities shall be operated so that the programs do not unfairly compete with Washington businesses as determined by law.

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

Complete Text of ENGROSSED HOUSE JOINT RESOLUTION NO. 4204

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 the secretary of state shall submit to the qualified voters of the state for their approval and ratification, or rejection, an amendment to Article VII, section 2 of the Constitution of the state of Washington to read as follows:

Article VII, section 2. Except as hereinafter provided and notwithstanding any other provision of this Constitution, the aggregate of all tax levies upon real and personal property by the state and all taxing districts now existing or hereafter created, shall not in any year exceed one percent of the true and fair value of such property in money((: *Provided, however*, That)). Nothing herein shall prevent levies at the rates now provided by law by or for any port or public utility district. The term "taxing district" for the purposes of this section shall mean any political subdivision, municipal corporation, district, or other governmental agency authorized by law to levy, or have levied for it, ad valorem taxes on property, other than a port or public utility district. Such aggregate limitation or any specific limitation imposed by law in conformity therewith may be exceeded only as follows:

(a) By any taxing district when specifically authorized so to do by a majority of at least three-fifths of the voters of the taxing district voting on the proposition to levy such additional tax submitted not more than twelve months prior to the date on which the proposed initial levy is to be made and not oftener than twice in such twelve month period, either at a special election or at the regular election of such taxing district, at which election the number of voters voting "yes" on the proposition shall constitute three-fifths of a number equal to forty percent of the total number of voters voting in such taxing district at the last preceding general election when the number of voters voting on the proposition does not exceed forty percent of the total number of voters voting in such taxing district in the last preceding general election; or by a majority of at least three-fifths of the voters of the taxing district voting on the proposition to levy when the number of voters voting on the proposition exceeds forty percent of the number of voters voting in such taxing district in the last preceding general election((: Provided, That)). Notwithstanding any other provision of this Constitution, any proposition pursuant to this subsection to levy additional tax for the support of the common schools or fire protection districts may provide such support for a period of up to four years and any proposition to levy an additional tax to support the construction, modernization, or remodelling of school facilities or fire facilities may provide such support for a period not exceeding six years. Notwithstanding any other provision of this subsection, a proposition under this subsection to levy an additional tax for a school district shall be authorized by a majority of the voters voting on the proposition, regardless of the number of voters voting on the proposition;

(b) By any taxing district otherwise authorized by law to issue general obligation bonds for capital purposes, for the sole purpose of making the required payments of principal and interest on general obligation bonds issued solely for capital purposes, other than the replacement of equipment, when authorized so to do by majority of at least three-fifths of the voters of the taxing district voting on the proposition to issue such bonds and to pay the principal and interest thereon by annual tax levies in excess of the limitation herein provided during the term of such bonds, submitted not oftener than twice in any calendar year, at an election held in the manner provided by law for bond elections in such taxing district, at which election the total number of voters voting on the proposition shall constitute not less than forty percent of the total number of voters voting in such taxing district at the last preceding general election((: Provided, That)). Any such taxing district shall have the right by vote of its governing body to refund any general obligation bonds of said district issued for capital purposes only, and to provide for the interest thereon and amortization thereof by annual levies in excess of the tax limitation provided for herein((; And provided further, That)). The provisions of this section shall also be subject to the limitations contained in Article VIII, Section 6, of this Constitution;

(c) By the state or any taxing district for the purpose of preventing the impairment of the obligation of a contract when ordered so to do by a court of last resort.

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

PLEASE NOTE

In the text of the measures, any language in double parentheses with a line through it is existing state law and will be taken out of the law if the measure is approved by voters. Any underlined language does not appear in current state law but will be added to the law if the measure is approved by voters.

Complete Text of SUBSTITUTE HOUSE JOINT RESOLUTION NO. 4215

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

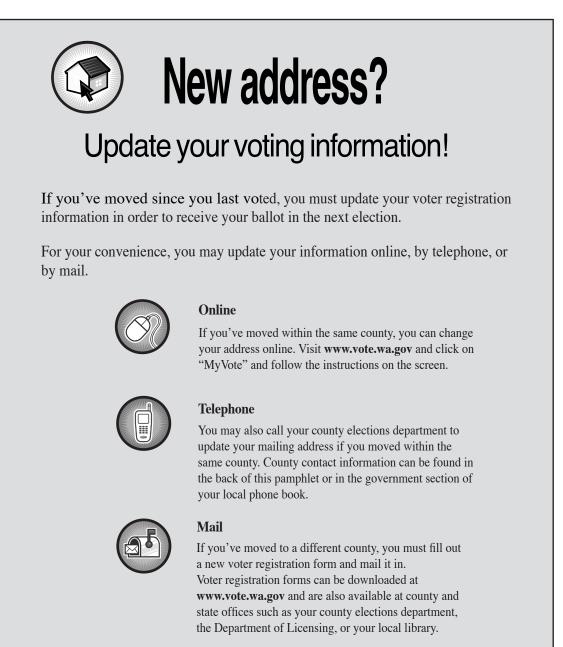
THAT, At the next general election to be held in this state the secretary of state shall submit to the qualified voters of the state for their approval and ratification, or rejection, an amendment to Article XVI of the Constitution of the state of Washington by adding a new section to read as follows:

Article XVI, section INVESTMENT OF HIGHER

EDUCATION PERMANENT FUNDS. Notwithstanding the provisions of Article VIII, sections 5 and 7 and Article XII, section 9, or any other section or article of the Constitution of the state of Washington, the moneys of the permanent funds established for any of the institutions of higher education in this state may be invested as authorized by law. Without limitation, this shall include the authority to invest permanent funds held for the benefit of institutions of higher education in stocks or bonds issued by any association, company, or corporation if authorized by law.

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

The above text is an exact reproduction as submitted by the Legislature. The Office of the Secretary of State has no editorial authority.



| County Elections Department Information | | | | | These numbers require special telephone equipment to operate. | |
|---|------------------------------------|---------------|------------|---|--|--|
| County Elections Department | Mailing Address | Стту | ZIP | 🕿 Telephone Number | TDD/TTY SERVICE <u>ONLY</u> for the speech or hearing impaired. | |
| Adams | 210 W Broadway, Ste 200 | Ritzville | 99169 | (509) 659-3249 | (509) 659-1122 | |
| Asotin | PO Box 129 | Asotin | 99402 | (509) 243-2084 | (800) 855-1155 | |
| Benton | PO Box 470 | Prosser | 99350 | (509) 736-3085 | (800) 833-6388 | |
| Chelan | PO Box 4760 | Wenatchee | 98807 | (509) 667-6808 | (800) 833-6388 | |
| Clallam | 223 E Fourth St, Ste 1 | Port Angeles | 98362 | (360) 417-2221 | (800) 833-6388 | |
| Clark | PO Box 8815 | Vancouver | 98666-8815 | (360) 397-2345 | (800) 223-3131 | |
| Columbia | 341 E Main St | Dayton | 99328-1361 | (509) 382-4541 | (800) 833-6388 | |
| Cowlitz | 207 N Fourth Ave, Rm 107 | Kelso | 98626 | (360) 577-3005 | (360) 577-3061 | |
| Douglas | PO Box 456/213 S Rainier St | | 98858 | (509) 745-8527 | (509) 745-8527, Ext 2 | |
| Ferry | 350 E Delaware Ave #2 | Republic | 99166 | (509) 775-5200 | (800) 833-6388 | |
| Franklin | PO Box 1451 | Pasco | 99301 | (509) 545-3538 | (800) 833-6388 | |
| Garfield | PO Box 278 | Pomeroy | 99347 | (509) 843-1411 | (800) 833-6388 | |
| Grant | PO Box 37 | Ephrata | 98823 | (509) 754-2011 Ext 343 | (800) 833-6388 | |
| Grays Harbor | 100 W Broadway, Ste 2 | Montesano | 98563 | (360) 249-4232 | (360) 249-6575 | |
| Island | PO Box 5000 | Coupeville | 98239 | (360) 249-4232 | (360) 249-0375 | |
| Jefferson | PO Box 563 | Port Townsend | 98368 | (360) 385-9119 | (800) 833-6388 | |
| | | Seattle | 98104 | | · · · · | |
| King | 500 Fourth Ave, Rm 553 | | 98366 | (206) 296-8683 | (206) 296-0109 | |
| Kitsap | 614 Division St | Port Orchard | | (360) 337-7128 | (800) 833-6388 | |
| Kittitas | 205 W Fifth Ave, Ste 105 | Ellensburg | 98926 | (509) 962-7503 | (800) 833-6388 | |
| Klickitat | 205 S Columbus Stop 2 | Goldendale | 98620 | (509) 773-4001 | (800) 833-6388 | |
| Lewis | PO Box 29 | Chehalis | 98532-0029 | (360) 740-1278 | (360) 740-1480 | |
| Lincoln | PO Box 28 | Davenport | 99122 | (509) 725-4971 | (800) 833-6388 | |
| Mason | PO Box 400 | Shelton | 98584 | (360) 427-9670 Ext 469 | (800) 833-6388 | |
| Okanogan | PO Box 1010 | Okanogan | 98840 | (509) 422-7240 | (800) 833-6388 | |
| Pacific | PO Box 97 | South Bend | 98586-0097 | (360) 875-9317 | (360) 875-9400 | |
| Pend Oreille | PO Box 5015 | Newport | 99156 | (509) 447-3185 Option 3 | (509) 447-3186 | |
| Pierce | 2401 S 35 th St, Rm 200 | Tacoma | 98409 | (253) 798-8683 (VOTE) (800) 446-4979 | (800) 833-6388 | |
| San Juan | PO Box 638 | Friday Harbor | 98250 | (360) 378-3357 | (360) 378-4151 | |
| Skagit | 700 S Second St/PO Box 1306 | Mount Vernon | 98273 | (360) 336-9305 | (360) 336-9332 | |
| Skamania | PO Box 790 | Stevenson | 98648 | (509) 427-3730 | (800) 833-6388 | |
| Snohomish | 3000 Rockefeller Ave MS 505 | Everett | 98201 | (425) 388-3444 | (425) 388-3700 | |
| Spokane | 1033 W Gardner | Spokane | 99260 | (509) 477-2320 | (509) 477-2333 | |
| Stevens | 215 S Oak St, Rm 106 | Colville | 99114 | (509) 684-7514 (866) 307-9060 | (800) 833-6384 | |
| Thurston | 2000 Lakeridge Dr SW | Olympia | 98502 | (360) 786-5408 | (360) 754-2933 | |
| Wahkiakum | PO Box 543 | Cathlamet | 98612 | (360) 795-3219 | (800) 833-6388 | |
| Walla Walla | PO Box 1856/315 W Main St | Walla Walla | 99362 | (509) 524-2530 | (800) 833-6388 | |
| Whatcom | 311 Grand Ave, Ste 103 | Bellingham | 98225 | (360) 676-6742 | (360) 738-4555 | |
| Whitman | PO Box 350 | Colfax | 99111 | (509) 397-6353 | (800) 833-6388 | |
| Yakima | 128 N Second St, Rm 117 | Yakima | 98901 | (509) 574-1340 | (800) 833-6388 | |

> Attention speech or hearing impaired Telecommunications Device for the Deaf users: If you are using an "800 number" from the list above for TDD/TTY service, you must be prepared to give the relay service operator the telephone number for your county elections department.

Absentee Ballot Application

| If you have requested an | absentee ballot or have a permanent request for an absentee ballot on file, pl | lease do not submit another application. |
|--------------------------------|--|---|
| To be fi | lled out by applicant. Please print in ink. | |
| Registered Name: | | Mail this absentee ballot |
| Street Address: | | request form to your county elections department. See previous page for |
| City: | ZIP: | your county's mailing address. |
| Telephone: (Day) | (Evening) | This application is for: |
| For identification purposes of | only (optional): Voter registration number, if known: | General Election only |
| | Have you recently registered to vote? Yes D No D | November 6, 2007 |
| I hereby declare that I a | 5 | Permanent Request |
| Signature 🛤 | Date | All future elections |
| | To be valid, your signature must be included. | |
| Send my ballot to the fo | llowing address (if different from above): | For office use only |
| Mailing Address: | | Precinct Code: |
| City: | State: | Ballot Code: Ballot Mailed: |
| ZIP: | Country: | |
| ≯ | | |
| | Absentee Ballot Application | |
| | absentee ballot or have a permanent request for an absentee ballot on file, pl | lease do not submit another application. |
| | lled out by applicant. Please print in ink. | |
| Registered Name: | | Mail this absentee ballot |
| Street Address: | | request form to your county elections department. |
| City: | ZIP: | See previous page for your county's mailing address. |
| Telephone: (Day) | (Evening) | This application is for: |
| For identification purposes of | only (optional): Voter registration number, if known: | General Election only |
| Birth Date: | Have you recently registered to vote? Yes 🗖 No 🗖 | November 6, 2007 |
| 1 nereby aeciare inai 1 a | Date | Permanent Request |
| Signature 🖉 | To be valid, your signature must be included. | All future elections |
| Send my ballot to the fo | Ilowing address (if different from above): | For office yes only |
| | | For office use only Precinct Code: |
| Mailing Address: | | Levy Code: |
| City: | State: | Ballot Code: |
| | | Ballot Mailed: |



Online Voter Registration



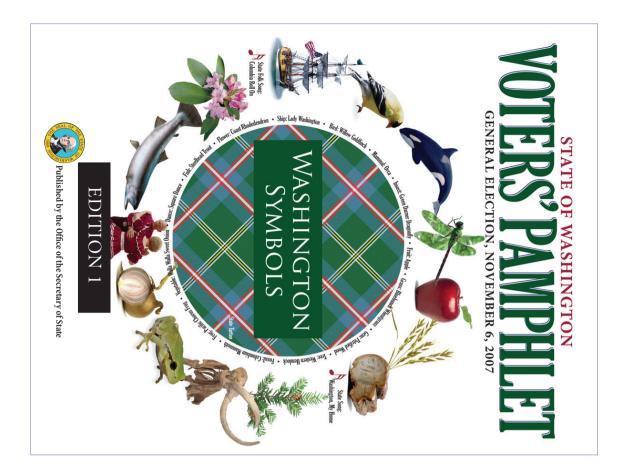
Coming January 1, 2008

Want a more convenient way to register to vote? Online voter registration will be in place next year, just in time for you to vote in Washington's Presidential Primary on February 19. Whether you are a new Washington State voter or need to update your existing registration information, this exciting internet-based tool will allow you to:

- Register to vote;
- Report your new residential address;
- Change your mailing address; or
- Update your name.

Online voter registration is fast and secure. All you need is a valid Washington State ID.

Go to **www.vote.wa.gov** and click on the online voter registration icon to learn more.





Secretary of State Sam Reed Legislative Building PO Box 40220 Olympia WA 98504-0220

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