

The People's Initiative A Washington State Initiative

Philip Bitar, Ph.D.

campaign@LetsTearUpTheBlankCheck.com
www.LetsTearUpTheBlankCheck.com

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AN ACT Relating to providing a citizen-controlled ceiling on the income and debt of the Washington State government, as allowed by Articles 7, 8, and 32 of the Washington State constitution; and creating new sections.

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

NEW SECTION. Section 1. (1) The “price of the Washington State government” shall be defined as the annual income plus the total debt of the government expressed as a fraction of the gross domestic product for the state. “Annual income” shall include all income to the state except for federal revenue for which there is no legal means, under federal law, by which the state can avoid accepting it. The “gross domestic product for the state” shall be defined as the total value of expenditures for all final goods and services produced in the state in a twelve-month period.

(2) Upon approval by the people, this section shall take effect the following fiscal year, at which time the current price of government shall be established as a ceiling on the future price of government. The citizens shall raise the ceiling by a two-thirds vote and shall lower the ceiling by a majority vote.

(3) Normally a measure to change the ceiling shall be requested by a vote of each branch of the legislature, a two-thirds vote to raise the ceiling and a majority vote to lower the ceiling, or by a petition containing number of valid signatures satisfying the signature threshold. The state election officer shall complete the certification procedure for an initiative within four weeks after receiving it. The signatures on a petition may be dated anytime after the last regular legislature election. A voter may sign multiple such petitions for measures that appear on the same ballot.

(4) After a request by the legislature or after petition certification, the respective measure shall be scheduled for the next regular legislature election if the election occurs at least four months in the future.

(5) On a given ballot, a voter shall indicate which measures, if any, they are in favor of, but they may not vote to both raise and lower the ceiling. If multiple measures are approved to raise the ceiling, the approved measure having the highest ceiling shall prevail. If multiple measures are approved to lower the ceiling, the approved measure having the lowest ceiling shall prevail. An approved ceiling shall take effect the following fiscal year.

(6) The initial signature threshold shall be eight percent of the ballots cast in the last election of governor. But in every subsequent regular legislature election, the citizens shall vote on the threshold percentage. The choices shall range from zero percent to a maximum percent in increments of one percent. The votes shall be cumulated in that order, and the percent at which a majority is obtained shall prevail. The legislature shall decide on the maximum percent.

(7) To address an emergency, a measure to change the ceiling may be requested by a three-fourths vote of each branch of the legislature and placed on a special ballot that occurs at least two months in the future. A ceiling approved in this way shall take effect immediately.

(8) The legislature shall have power to implement this section by appropriate legislation but shall not establish unnecessarily restrictive petition deadlines, rules, or charges, shall not prevent the citizens from printing petitions single-sided on a paper size that is accepted by most citizen-owned printers, and shall prohibit the public disclosure of the names and other information of the petition signers.

NEW SECTION. Section 2. The Secretary of State shall motivate the private development of online petitioning systems for optional use by petition sponsors. To achieve this, the Secretary shall advertise the need for an online petitioning system by which voters can achieve the following online within one year of approval of this initiative: authenticate their identity and then sign a petition by voting to put the respective measure on the ballot. The Secretary shall not develop such a system but shall specify standards for security, database interface, user interface, and information presentation that must be met by an online voting system, and the Secretary shall certify any online voting system that is submitted for certification and that meets the standards. The state shall not pay any company for system development to meet these standards since company compensation will come through acquiring petition sponsors as customers in the competitive market.

NEW SECTION. Section 3. The citizens of Washington State enact sections 1 and 2 as statute law and request the Washington State legislature to approve section 1 as a Washington State constitutional amendment and to submit it to the people for approval.

The People's Initiative – Notes

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The initial line in capital letters will establish the initiative as statute law upon approval by the people as such. Section 3, in turn, provides for establishing section 1 as a constitutional amendment.

The price of government is defined as annual income plus total debt because debt is committed future income.

Annual income includes all revenue except federal revenue that, by federal law, must be accepted by the state. In the biennium 2011-2013, as of 2012-09, 30% of state income was federal revenue and 70% was state revenue. To see this, at www.fiscal.wa.gov, click Revenue. We could exclude fees for permits, licenses, and services, complemented by the restriction that such fees must be limited to covering the respective costs. However, this source comprises less than 1% of state revenue, so it's not worth making an exception and thereby inviting the temptation for abuse.

State gross domestic product, or GDP, will be determined by the legislature through the implementation power of the initiative. The use of GDP merely allows the price ceiling to grow with the income of the economy, so measurement precision is not critical. To the extent that the legislature may be able to define GDP in a way that inflates its value, the people will be able to lower the ceiling by direct vote, so ultimate control rests with the people.

At the beginning of a fiscal year, since the legislature won't know the GDP for the new year, the legislature must estimate the GDP based on recent GDPs and on current-year data as it is obtained during the year. This will allow the legislature to tentatively plan its budget for the new year while also allowing the budget to grow or shrink as needed. GDP usually grows by a few percent each year. However, in the rare event that GDP shrinks, the legislature must respond accordingly, just like every business and every family must do in the face of decreasing income and borrowing power, namely, by spending less or by drawing on savings.

The need for the legislature to track GDP, as it emerges, and to limit spending accordingly will establish the proper mindset for making government fiscally responsible. It will also establish the mindset that government must be wise in seeking to foster economic prosperity so that it will have money to spend. Note that approval of the initiative will motivate the legislature to streamline collection of the data that is used to determine GDP.

Sale tax comprises nearly half of state revenue. As a result, suppose that we have the unlikely event that — as the fiscal year is coming to an end — income+debt will exceed the ceiling and, because the debt is so small, income+debt can't be sufficiently reduced by paying down debt with income. Then in the last month of the fiscal year, the sale tax rate should be reduced sufficiently to bring income+debt below the ceiling. Such a provision is not part of the initiative text but is up to the legislature to determine per the implementation clause of the initiative.

The role of the signature threshold is to regulate the approximate number of ceiling measures that appear on a ballot: a higher threshold will reduce the number, while a lower threshold will increase the number. Since there is no objective rationale for what the number should be, the people will have control of the threshold in order to choose the approximate number of their choice.

To avoid inconsistent results for a ballot having multiple measures, a voter votes for the measures that they are in favor of, ignoring the remaining measures, but they may not vote to both raise and lower the ceiling. A majority vote is a majority of the total number of ballots. It follows that it is impossible to obtain approval for both raising and lowering the ceiling.

As for printing petitions, I envision a transformation of the petition process in the modern age of computers and internet. In this scenario, I envision that most citizens who wish to sign a petition will download the petition from the website of the sponsoring organization, print the petition at home, sign it, and mail it to the organization. For this reason, the initiative disallows the legislature from preventing this by, say, requiring a paper size of 11 x 17, or by requiring double-sided printing, which some printers may not be able to automatically do. Eventually petition signing will be implemented via the web without the need for hardcopy, so eventually few people will sign hardcopy petitions, but the option will always remain open until the organizations that sponsor the petitions cease to accept hardcopy petitions. Until that day — if that day ever arrives — the citizens will be assured of the ability to print petitions on their own printers.

Public disclosure of petition signers is prohibited to prevent their harassment, exploitation, and identity theft. This idea came from Tim Eyman's court battle with the Washington State Secretary of State to prohibit the secretary from disclosing petition signers.