

# Referendum would needlessly exceed debt limit even with funding

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There's a saying in political circles that goes something like this: "Laws are like sausages - it is best not to see them being made."

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The legislative process can be ugly at times. But so can direct democracy through the citizen-driving initiatives and referenda.

Such is the case this year with two sets of conflicting propositions on the November general election ballot.

There are, for examples, two initiatives to end the state's monopoly on liquor sales. Initiative 1100 is the retailers proposal while Initiative 1105 is the liquor privatization plan offered by wholesalers. What happens if voters approve the conflicting ballot proposals?

The question is likely to end up in the courts.

So, too, is the apparent conflict between two other ballot measures: Referendum 52 which continues the tax on bottled water to pay for school improvements and Initiative 1107 which

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would repeal the bottled water tax. What if voters approve the tax on one hand (Ref. 52) and torpedo it at the same time by passing I-1107.

Again, it may be up to the courts to sift through the legal issues and make a determination.

Those legal issues aside, today The Olympian's editorial board focuses on Referendum 52. We're encouraging a "no" vote.

In the throes of a national and state economic recession, this is no time to exceed the state's debt limit — even with a dedicated funding source. We've seen a national backlash against deficit spending and this is no time to take the state of Washington further into debt.

The Ref. 52 ballot title asks whether the state should issue bonds to finance construction and repair projects to increase energy efficiency at public schools, colleges and universities. The state is proposing to spend \$505 million and cover that debt through continuation of the tax on bottled water which is scheduled to expire on July 1, 2013.

The state budget office says the 29-year debt service on the bonds would amount to nearly a billion dollars — \$937 million to be precise. An additional \$2.2 million would go to the state annually to administer the program. The state would spend \$32.3 million a year to cover the debt obligation. Offsetting the debt payment would be an estimated \$39.8 million in revenue from the bottled water tax. An additional \$14.9 million is generated annually for local governments through the tax.

There's no doubt that many of this state's 2,049 public school buildings and 1,440 college and university buildings could use energy retrofits that will result in annual savings to each institution. And the construction industry which has been hard hit by the recession, certainly could use the jobs.

But job estimates vary widely.

Ref. 52 proponents say 30,000 jobs will be created by spending \$505 million for school improvements. Opponents say that's an exaggeration. They claim only 5,700 short-term construction jobs will be created, which, with debt service will cost taxpayers \$162,000 per job.

Our objection certainly is not with the school improvements. Energy retrofits make sense. And we don't have a problem with a tax on bottled water. But if these improvement projects are a true priority, then lawmakers need to find a way to pay for them within the current debt limit. This referendum loosens the debt limit handcuffs that keeps legislative spending in check. Even with a dedicated funding source, that's ill-advised.

Then there's the legal quagmire of what happens if voters approve the bottled water tax with Referendum 52 and take it away with Initiative 1107. The state could end up with a voter mandate to spend \$505 million on school repairs and no money to pay for the bonds.

This is one of those cases of when in doubt, vote no.

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