CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 1876**

67th Legislature

2022 Regular Session

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| Passed by the House March 10, 2022  Yeas 55 Nays 43  **Speaker of the House of Representatives**  Passed by the Senate March 10, 2022  Yeas 27 Nays 22  **President of the Senate** | CERTIFICATE  I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1876** as passed by the House of Representatives and the Senate on the dates hereon set forth.  Chief Clerk |
| Approved |  |
| **Governor of the State of Washington** | **Secretary of State**  **State of Washington** |

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**SUBSTITUTE HOUSE BILL 1876**

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Passed Legislature - 2022 Regular Session

**State of Washington 67th Legislature 2022 Regular Session**

**By** House State Government & Tribal Relations (originally sponsored by Representatives Gregerson, Valdez, Fitzgibbon, Simmons, Chopp, Ramel, and Pollet)

AN ACT Relating to public investment impact disclosures for certain ballot measures that repeal, levy, or modify any tax or fee and have a fiscal impact statement that shows that adoption of the measure would cause a net change in state revenue; amending RCW 29A.72.050, 29A.72.290, and 29A.72.025; adding new sections to chapter 29A.72 RCW; and creating a new section.

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

NEW SECTION. **Sec.**  The legislature recognizes that the people have reserved for themselves the power to enact or reject legislation through the initiative and referendum process, as provided in Article II, section 1 of the state Constitution. The legislature finds that when exercising this right, the people are entitled to know the fiscal impact that their vote will have on public investments at the time they cast their ballots. The legislature further finds that when a ballot measure will affect funding for public investments, a neutral, nonprejudicial disclosure of the public investments affected will provide greater transparency and necessary information for voters.

NEW SECTION. **Sec.**  A new section is added to chapter 29A.72 RCW to read as follows:

(1) The attorney general must prepare a public investment impact disclosure for any ballot measure that:

(a) Repeals, levies, or modifies any tax or fee, including changing the scope or application of an existing tax or fee; and

(b) Has a fiscal impact statement, as provided by RCW 29A.72.025, that shows that adoption of the measure would cause a net change in state revenue.

(2) The public investment impact disclosure must include a description of the investments that will be affected if the measure is adopted. The description must be sufficiently broad to reflect the subject of the investments that will be impacted by the change in revenue that will result from adoption of the measure, but also sufficiently precise to give notice of the subject matter of the investments that will be impacted by the change in revenue that will result from adoption of the measure. The description may not exceed 10 words, unless the fiscal impact is primarily to the state general fund, in which case the description must list the top three categories of state services funded by the general fund in the current state budget and may not exceed 15 words. The attorney general may consult with the office of financial management or any other state or local agencies as necessary to procure accurate information to draft the description.

(3) The format of the public investment impact disclosure, as it appears on the ballot, is:

"This measure would (increase or decrease) funding for (description of services)."

(4) In drafting the public investment impact disclosure, the attorney general must use neutral language that cannot reasonably be expected to create prejudice for or against the measure. The language of the disclosure is not subject to appeal, except as provided in this act.

(5) The attorney general must file the public investment impact disclosure with the secretary of state no later than July 23rd.

(6) The secretary of state must certify the public investment impact disclosure and timely transmit it to each county auditor for its inclusion on the ballot.

(7) Public investment impact disclosures are not considered part of the ballot title under this chapter and are not subject to any of the legal requirements for ballot titles.

**Sec.**  RCW 29A.72.050 and 2003 c 111 s 1806 are each amended to read as follows:

(1) The ballot title for an initiative to the people, an initiative to the legislature, a referendum bill, or a referendum measure consists of: (a) A statement of the subject of the measure; (b) a concise description of the measure; and (c) a question in the form prescribed in this section for the ballot measure in question. The statement of the subject of a measure must be sufficiently broad to reflect the subject of the measure, sufficiently precise to give notice of the measure's subject matter, and not exceed ten words. The concise description must contain no more than thirty words, be a true and impartial description of the measure's essential contents, clearly identify the proposition to be voted on, and not, to the extent reasonably possible, create prejudice either for or against the measure.

(2) If a public investment impact disclosure is required under section 2 of this act, the disclosure must appear in the middle of the ballot title, after the concise description and before the question. The disclosure is not, however, considered part of the ballot title and is not subject to any of the legal requirements for ballot titles under this chapter.

(3) For an initiative to the people, or for an initiative to the legislature for which the legislature has not proposed an alternative, the ballot title and public investment impact disclosure, if applicable, must be displayed on the ballot substantially as follows:

"Initiative Measure No. . . . concerns (statement of subject). This measure would (concise description). (Public investment impact disclosure, if applicable). Should this measure be enacted into law?

Yes  **□**

No   **□**

((~~(3)~~)) (4) For an initiative to the legislature for which the legislature has proposed an alternative, the ballot title and public investment impact disclosure, if applicable, must be displayed on the ballot substantially as follows:

"Initiative Measure Nos. . . . and . . .B concern (statement of subject).

Initiative Measure No. . . . would (concise description). (Public investment impact disclosure, if applicable).

As an alternative, the legislature has proposed Initiative Measure No. . . .B, which would (concise description). (Public investment impact disclosure, if applicable).

1. Should either of these measures be enacted into law?

Yes  **□**

No   **□**

2. Regardless of whether you voted yes or no above, if one of these measures is enacted, which one should it be?

Measure No.  **□**

or

Measure No.  **□**

((~~(4)~~)) (5) For a referendum bill submitted to the people by the legislature, the ballot issue and public investment impact disclosure, if applicable, must be displayed on the ballot substantially as follows:

"The legislature has passed . . . . Bill No. . . . concerning (statement of subject). This bill would (concise description). (Public investment impact disclosure, if applicable). Should this bill be:

Approved  **□**

Rejected  **□**

((~~(5)~~)) (6) For a referendum measure by state voters on a bill the legislature has passed, the ballot issue and public investment impact disclosure, if applicable, must be displayed on the ballot substantially as follows:

"The legislature passed . . . Bill No. . . . concerning (statement of subject) and voters have filed a sufficient referendum petition on this bill. This bill would (concise description). (Public investment impact disclosure, if applicable). Should this bill be:

Approved  **□**

Rejected  **□**

((~~(6)~~)) (7) The legislature may specify the statement of subject or concise description, or both, in a referendum bill that it refers to the people. The legislature may specify the concise description for an alternative it submits for an initiative to the legislature. If the legislature fails to specify these matters, the attorney general shall prepare the material that was not specified. The statement of subject and concise description as so provided must be included as part of the ballot title unless changed on appeal.

The attorney general shall specify the statement of subject and concise description for an initiative to the people, an initiative to the legislature, and a referendum measure. The statement of subject and concise description as so provided must be included as part of the ballot title unless changed on appeal.

**Sec.**  RCW 29A.72.290 and 2013 c 11 s 76 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 and measures for an advisory vote of the people are to be submitted to the people for their approval or rejection, the serial numbers ((~~and~~)), ballot titles, and public investment impact disclosures certified by the secretary of state and the serial numbers and short descriptions of measures for an advisory vote of the people. They must appear under separate headings in the order of the serial numbers as follows:

(1) Initiatives to the people;

(2) Referendum measures;

(3) Referendum bills;

(4) Initiatives to the legislature;

(5) Initiatives to the legislature and legislative alternatives;

(6) Advisory votes;

(7) Proposed constitutional amendments.

**Sec.**  RCW 29A.72.025 and 2009 c 415 s 7 are each amended to read as follows:

The office of financial management, in consultation with the secretary of state, the attorney general, and any other appropriate state or local agency, shall prepare a fiscal impact statement for each of the following state ballot measures: (1) An initiative to the people that is certified to the ballot; (2) an initiative to the legislature that will appear on the ballot; (3) an alternative measure appearing on the ballot that the legislature proposes to an initiative to the legislature; (4) a referendum bill referred to voters by the legislature; and (5) a referendum measure appearing on the ballot. The secretary of state shall notify the office of financial management and the attorney general when the sponsor of a ballot measure has made an appointment to submit petitions to the secretary of state for filing. The office of financial management and appropriate state agencies may begin work on a fiscal impact statement prior to the submission of petitions. Fiscal impact statements must be written in clear and concise language, avoid legal and technical terms when possible, and be filed with the secretary of state no later than ((~~the tenth day of August~~)) July 23rd if a public investment impact disclosure is required under section 2 of this act, and no later than July 31st for all other measures. Fiscal impact statements may include easily understood graphics.

A fiscal impact statement must describe any projected increase or decrease in revenues, costs, expenditures, or indebtedness that the state or local governments will experience if the ballot measure were approved by state voters. Where appropriate, a fiscal impact statement may include both estimated dollar amounts and a description placing the estimated dollar amounts into context. A fiscal impact statement must include both a summary of not to exceed one hundred words and a more detailed statement that includes the assumptions that were made to develop the fiscal impacts.

Fiscal impact statements must be available online from the secretary of state's website and included in the state voters' pamphlet. Additional information may be posted on the website of the office of financial management.

NEW SECTION. **Sec.**  A new section is added to chapter 29A.72 RCW to read as follows:

Any persons, including either or both houses of the legislature, dissatisfied with the public investment impact disclosure for a state initiative or referendum may, within three days from the filing of the public investment impact disclosure in the office of the secretary of state, appeal to the superior court of Thurston county by petition setting forth the measure, the public investment impact disclosure, and their objections to the public investment impact disclosure and requesting amendment of the public investment impact disclosure by the court. Saturdays, Sundays, and legal holidays are not counted in calculating the time limits contained in this section.

A copy of the petition on appeal together with a notice that an appeal has been taken shall be served upon the secretary of state, upon the attorney general, and upon the person proposing the measure if the appeal is initiated by someone other than that person. Upon the filing of the petition on appeal or at the time to which the hearing may be adjourned by consent of the appellant, the court shall accord first priority to examining the proposed measure, the public investment impact disclosure, and the objections to that public investment impact disclosure, may hear arguments, and shall, within five days, render its decision and file with the secretary of state a certified copy of such public investment impact disclosure as it determines will meet the requirements of section 2 of this act. The decision of the superior court shall be final. Such appeal shall be heard without costs to either party.

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