

HOUSE BILL REPORT

SB 6571

As Reported by House Committee On:
State Government
Appropriations

Title: An act relating to information about ballot measures.

Brief Description: Providing fiscal impact statements for ballot measures.

Sponsors: Senators Franklin, Gardner, Fraser, Winsley, Keiser, McCaslin, Hargrove, Regala, Shin, Jacobsen, Snyder, Poulsen, Costa, B. Sheldon, Kastama, Spanel, Haugen, Fairley, Thibaudeau, McAuliffe, Rasmussen, Kohl-Welles and Oke.

Brief History:

Committee Activity:

State Government: 2/28/02, 3/1/02 [DPA];

Appropriations: 3/2/02, 3/4/02 [DP(w/oSG amd)s].

Brief Summary of Bill

- Requires the Office of Financial Management (OFM) to prepare a fiscal impact statement for each ballot measure that qualifies for the ballot.
- Requires the Office of the Secretary of State to print a 100-word summary of the fiscal impact statement in the voters' pamphlet, and post it on the website.

HOUSE COMMITTEE ON STATE GOVERNMENT

Majority Report: Do pass as amended. Signed by 4 members: Representatives Romero, Chair; Miloscia, Vice Chair; McDermott and Schmidt.

Minority Report: Without recommendation. Signed by 3 members: Representatives McMorris, Ranking Minority Member; Schindler and Upthegrove.

Staff: Catherine Blinn (786-7114).

Background:

Initiatives to the people, initiatives to the Legislature, and referenda are established by the state constitution. For two years following enactment, a two-thirds majority is necessary

to amend or repeal any law approved by a vote of the people.

Initiatives:

The text of an initiative must be filed with the Office of the Secretary of State 10 months before the election. The Office of the Attorney General (AG) writes the ballot title and a summary for each initiative and referendum. The ballot title consists of a subject statement, a concise description of the measure, and a question. The ballot title becomes the title of the measure on all petitions, ballots and other proceedings, and the summary must appear following the ballot title on all petitions. The signed petitions for an initiative to the people must be filed with the Office of the Secretary of State at least four months before the election, and the signed petitions for an initiative to the Legislature must be filed at least 10 days before the legislative session.

The Legislature may approve, reject, refer or take no action on initiatives to the Legislature. The Legislature must enact or reject the initiative without change or amendment before the end of the regular session. If the Legislature rejects or takes no action, the Office of the Secretary of State must submit the measure to the people at the next general election. The Legislature may also propose a similar measure addressing the same subject, in which case both measures are submitted to the people for a vote at the next general election.

Referenda:

A referendum petition must be filed within 90 days of the day the legislative session adjourned, and may be submitted for a public vote at the next election or at a special election ordered by the Legislature. A referendum may be ordered on any law passed by the Legislature except those necessary for the immediate preservation of the public peace, health or safety, or for the support of state government and its existing public institutions. The only other method by which a referendum election can be held is when the Legislature decides to refer a measure to the people for a vote, known as a referendum bill.

Voter's Pamphlet:

The voters' pamphlet must include, for each statewide initiative or referendum, the serial number, the official ballot title, a statement by the AG explaining the law as it presently exists, a statement by the AG explaining the effect of the proposed measure if it becomes law, the number of votes cast in the Legislature for and against the measure if it first passed the Legislature, arguments for and against the measure, the names of committee members who submitted the arguments, and the full text of the measure.

Fiscal Notes:

The OFM is required to prepare fiscal impact statements, known as fiscal notes, on bills reviewed by the Legislature. Fiscal notes must describe the expected increase or decrease in state or local revenues or expenditures caused by a bill, and are provided to the appropriate legislative committees.

Summary of Amended Bill:

The OFM, in consultation with the Office of the Secretary of State, the Department of Revenue, the AG, other state agencies, local governments, and legislative fiscal staff, must prepare a fiscal impact statement for each initiative to the people, initiative to the Legislature, alternative legislative measure, referendum measure and referendum bill that qualifies for the ballot. The fiscal impact statements must describe projected increases or decreases in revenues, costs, expenditures, or indebtedness that state and local governments will experience if the ballot measure is approved by voters. The fiscal impact statement must include a 100-word summary, and a more detailed statement that includes the assumptions made to develop the statement. The 100-word summary must be printed in the voters' pamphlet and posted on the Office of the Secretary of State's website. Committees that write arguments for and against the ballot measure may also write a 50-word response to the fiscal impact statement, for printing in the voters' pamphlet.

If the fiscal impact statement indicates an impact of over \$25 million, the OFM must prepare a 50-word summary, known as a notice of probable impacts, to be printed on the ballots under the ballot title. Both the fiscal impact statement and the notice of probable impacts must identify which programs, if any, will be eliminated. If the OFM cannot determine which specific government services or programs will be eliminated, the fiscal impact statement and notice of probable impacts must list five of the largest government services or programs currently funded by the impacted governments.

The OFM must file the fiscal impact statement and notice of probable impacts with the Office of the Secretary of State no more than 30 days after the ballot measure qualifies for the ballot. Anyone dissatisfied with the notice of probable impacts may appeal to the Thurston County Superior Court. The court must examine the measure, the fiscal impact statement, the notice of probable impacts, and the party's objections. The court must render a decision and, if necessary, provide a revised notice of probable impacts for printing on the ballots. The decision of the Thurston County Superior Court is final.

The notice of probable impacts must be printed on the ballots directly below the ballot title.

Amended Bill Compared to Original Bill:

The amended bill requires the OFM to prepare a 50-word notice of probable impacts if the combined fiscal impact of a ballot measure is over \$25 million. The OFM must identify in the fiscal impact statement and notice of probable impacts either which programs will be eliminated, or five of the largest services or programs currently funded by the impacted governments. County auditors must place the notice of probable impacts on the ballot, directly below the ballot title, for those ballot measures that have a

combined fiscal impact of over \$25 million. Anyone may challenge the 50-word notice of probable impacts in Thurston County Superior Court. Committees who write arguments for and against the ballot measure may also write a 50-word response to the fiscal impact statement, for printing in the voters' pamphlet.

The amended bill contains an emergency clause.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill contains an emergency clause and takes effect immediately.

Testimony For: (Original bill) The impact that statewide ballot measures have on the budget is tremendous. The more information available to voters to enable them to make educated decisions, the better. The bill has bi-partisan support. There is currently little accurate information available to voters on the fiscal impacts of ballot measures. An amendment could complicate the bill too much. The Association of Washington Business, the Association of General Contractors, the Association of Washington Cities, and the League of Women Voters support the bill. The OFM has concerns about potential amendments that require the OFM to identify which programs will be cut or impacted, especially for local governments, and amendments that allow committees to comment on the fiscal note. Information should be on the ballot itself because many people do not have time to read the voters' pamphlet.

Testimony Against: None.

Testified: Senator Franklin, prime sponsor; Cherie Davidson, League of Women Voters; Bill Vogler, Washington State Association of Counties; Duke Schaub, Associated General Contractors of Washington; Jim Bricker, PEMCO; Mellani Hughes, Association of Washington Business; Jim Justin, Association of Washington Contractors; Jim Hedrick, Office of Financial Management; and Steve Stuart, 1000 Friends of Washington.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass without amendment by Committee on State Government. Signed by 20 members: Representatives Sommers, Chair; Doumit, 1st Vice Chair; Fromhold, 2nd Vice Chair; Sehlin, Ranking Minority Member; Alexander, Buck, Clements, Cody, Cox, Dunshee, Grant, Kagi, Kenney, Kessler, Linville, McIntire, Pearson, Ruderman, Schual-Berke and Tokuda.

Minority Report: Do not pass. Signed by 5 members: Representatives Boldt, Lisk,

Mastin, Pflug and Talcott.

Staff: Linda Brooks (786-7153).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On State Government:

The Appropriations Committee recommended passage of the original Senate bill without the State Government Committee's amendment.

The Appropriation Committee's recommendation requires that the OFM prepare a fiscal impact statement for each ballot measure that qualifies for the ballot. The fiscal impact statement must include a summary up to 100 words in length and a more detailed statement explaining the assumptions used to develop the statement. The fiscal impact statement must be printed in the voters' pamphlet and posted on the website of the Office of the Secretary of State.

The State Government Committee's amendment added the requirement that the OFM prepare a 50-word notice of probable impacts if the combined fiscal impact of a ballot measure is over \$25 million. The Appropriations Committee's recommendation removes this requirement. It also removes the requirement that the OFM identify the programs that will be eliminated or list the five largest programs funded by the impacted governments. It removes the requirement that county auditors place the notice on the ballot, and it removes the authorization for any person to challenge the notice in Thurston County Superior Court. It also removes the authorization for the committees who write the statements for and against the ballot measure to write a 50-word response in the voters' pamphlet to the 100 word fiscal impact statement prepared by the OFM.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The original Senate bill did not include the statement of probable fiscal impacts for the ballot. There was bipartisan support for the original Senate version of the bill. The fiscal information provided in the voters' pamphlet will give voters more information. I feel very strongly that having more information in the voters' pamphlet to help voters to make their decisions would be very helpful. The OFM is supportive of the underlying Senate bill.

Testimony Against: None.

Testified: Senator Franklin, prime sponsor; and Jim Hedrick, Office of Financial

Management.