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HOUSE BILL 1981

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State of Washington

65th Legislature

2017 Regular Session

By Representatives Farrell, Ormsby, Slatter, Pollet, and Jenkins

Read first time 02/06/17. Referred to Committee on State Govt, Elections & IT.

1 AN ACT Relating to estimating the effective tax rate of proposed  
2 ballot measures and legislation; amending RCW 29A.32.070; adding a  
3 new section to chapter 29A.72 RCW; and adding a new section to  
4 chapter 43.88A RCW.

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

6 **Sec. 1.** RCW 29A.32.070 and 2016 c 83 s 1 are each amended to  
7 read as follows:

8 (1) The secretary of state (~~shall~~) must determine the format  
9 and layout of the voters' pamphlet published under RCW 29A.32.010.  
10 The secretary of state (~~shall~~) must print the pamphlet in clear,  
11 readable type on a size, quality, and weight of paper that in the  
12 judgment of the secretary of state best serves the voters. The  
13 pamphlet must contain a table of contents. Measures and arguments  
14 must be printed in the order specified by RCW 29A.72.290.

15 (2) The secretary of state's name may not appear in the voters'  
16 pamphlet in his or her official capacity if the secretary is a  
17 candidate for office during the same year. His or her name may only  
18 be included as part of the information normally included for  
19 candidates.

20 (3) The voters' pamphlet must provide the following information  
21 for each statewide issue on the ballot except measures for an

1 advisory vote of the people whose requirements are provided in (1) of  
2 this subsection (~~((11) of this section)~~):

3 ~~((1))~~ (a) The legal identification of the measure by serial  
4 designation or number;

5 ~~((2))~~ (b) The official ballot title of the measure;

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

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

10 ~~((5))~~ (e) The fiscal impact statement prepared under RCW  
11 29A.72.025;

12 ~~((6))~~ (f) The revenue equity statement prepared under section 2  
13 of this act;

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

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

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

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

27 ~~((10))~~ (k) The full text of the measure;

28 ~~((11))~~ (l) Two pages (~~shall~~) must be provided in the general  
29 election voters' pamphlet for each measure for an advisory vote of  
30 the people under RCW 43.135.041 and (~~shall~~) must consist of the  
31 serial number assigned by the secretary of state under RCW  
32 29A.72.040, the short description formulated by the attorney general  
33 under RCW 29A.72.283, the tax increase's most up-to-date ten-year  
34 cost projection, including a year-by-year breakdown, by the office of  
35 financial management under RCW 43.135.031, and the names of the  
36 legislators, and their contact information, and how they voted on the  
37 increase upon final passage so they can provide information to, and  
38 answer questions from, the public. For the purposes of this  
39 subsection, "names of legislators, and their contact information"  
40 includes each legislator's position (senator or representative),

1 first name, last name, party affiliation (for example, Democrat or  
2 Republican), city or town they live in, office phone number, and  
3 office email address.

4 NEW SECTION. **Sec. 2.** A new section is added to chapter 29A.72  
5 RCW to read as follows:

6 (1) The office of financial management must prepare a revenue  
7 equity statement for each of the following state ballot measures:

8 (a) An initiative to the people that is certified to the ballot;

9 (b) An initiative to the legislature that is certified to the  
10 house of representatives and the senate;

11 (c) An alternative measure appearing on the ballot that the  
12 legislature proposes to an initiative to the legislature;

13 (d) A referendum bill referred to voters by the legislature; and

14 (e) A referendum measure appearing on the ballot.

15 (2) The revenue equity statement must describe the projections  
16 for how the ballot measure would affect any projected increase or  
17 decrease in the average effective tax rate imposed directly or  
18 indirectly on Washington residents in excess of 0.05 percent of  
19 family income for any family income quintile. Each statement must  
20 include:

21 (a) The estimated average effective tax rate, expressed as a  
22 percentage of household income, imposed by each family income  
23 quintile;

24 (b) Similar estimates within the top fifteenth percentile, fourth  
25 percentile, first percentile, and 0.1 percentile under current law  
26 and under each proposed measure;

27 (c) Comparable estimates for the first six fiscal years following  
28 enactment of the proposed measure; and

29 (d) A summary of the ballot measure not to exceed two hundred  
30 words and a more detailed disclosure that includes the assumptions  
31 that were made to estimate the effective rate of taxes, and any  
32 unavoidable limitations on the availability of data for a  
33 comprehensive analysis.

34 (3) Revenue equity statements must be written in clear and  
35 concise language, avoid legal and technical terms when possible, and  
36 be filed with the secretary of state no later than the tenth day of  
37 August for a ballot measure to the people, or no later than the first  
38 day of the legislative session for which an initiative to the  
39 legislature has been submitted. Revenue equity statements may include

1 easily understood graphics. Revenue equity statements must be  
2 available online from the secretary of state's web site and included  
3 in the state voters' pamphlet. Additional information may be posted  
4 on the web site of the office of financial management.

5 (4) For the purposes of this section "effective tax rate"  
6 includes fees that apply broadly to the majority of Washington  
7 residents as well as revenue measures that are identified as taxes.

8 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.88A  
9 RCW to read as follows:

10 (1) The director of financial management, in consultation with  
11 the legislature, the department of revenue, and any other appropriate  
12 state or local agency, must establish a procedure for the provision  
13 of a tax rate equity statement for legislative bills that describes  
14 how the bill would affect any projected increase or decrease in the  
15 average effective tax rate imposed directly or indirectly on  
16 Washington residents in excess of 0.05 percent of family income for  
17 any family income quintile.

18 (2) Each statement must include:

19 (a) The estimated average effective tax rate, expressed as a  
20 percentage of household income, imposed by each family income  
21 quintile;

22 (b) Similar estimates for the top fifteenth percentile, fourth  
23 percentile, first percentile, and 0.1 percentile under current law  
24 and under each proposed measure;

25 (c) Comparable estimates for the first six fiscal years following  
26 enactment of the proposed measure; and

27 (d) A summary of the bill not to exceed two hundred words and a  
28 more detailed disclosure that includes the assumptions that were made  
29 to estimate the effective rate of taxes, and any unavoidable  
30 limitations on the availability of data for a comprehensive analysis.

31 (3) For the purposes of this section "effective tax rate"  
32 includes fees that apply broadly to the majority of Washington  
33 residents as well as revenue measures that are identified as taxes.

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