

# HOUSE BILL REPORT

## HJR 4208

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**As Reported by House Committee On:**

State Government

**Brief Description:** Amending the Constitution to require fiscal responsibility of initiatives.

**Sponsors:** Representatives Moeller, Clements, Linville, Veloria, Wood, Dickerson and Hudgins.

**Brief History:**

**Committee Activity:**

State Government: 2/20/03, 2/27/03 [DP].

### Brief Summary of Bill

- Amends the State Constitution to require the text of all initiatives that have a fiscal impact to specify the funding source or the spending reduction.

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### HOUSE COMMITTEE ON STATE GOVERNMENT

**Majority Report:** Do pass. Signed by 8 members: Representatives Haigh, Chair; Miloscia, Vice Chair; Armstrong, Ranking Minority Member; Shabro, Assistant Ranking Minority Member; Hunt, McDermott, Tom and Wallace.

**Minority Report:** Do not pass. Signed by 1 member: Representative Nixon.

**Staff:** Katie Blinn (786-7114).

### Background:

The authority for the people to legislate was established in 1911 in the State Constitution, Article II, section 1. Any legal voter may file with the Secretary of State (Secretary) an initiative to the people, an initiative to the Legislature, or a referendum. Once the text of an initiative is filed with the Secretary, it must be submitted to the Code Reviser for review of its form and style. The Code Reviser can recommend revisions or alterations, but such recommendations are advisory only and may be rejected by the sponsor. The Secretary then assigns the measure a serial number and the Attorney General writes a 75-word summary and the ballot title, which consists of a subject statement, a 30-word concise description, and a question. The ballot title becomes the title of the measure on

all petitions, ballots and other material, and the summary appears after the ballot title on all petitions. Each petition must have lines for the signatures on one side, and the measure printed on the other side. When the person proposing the measure has enough signatures to exceed the 4 percent or 8 percent requirement, he or she files the petitions with the Secretary for certification. The Secretary must verify and canvass the names on the petitions. If an initiative to the people or referendum is found sufficient, the Secretary certifies to the county auditors the serial number and ballot title of each initiative and each referendum to be voted on at the next general election.

Amendments to the state constitution require a two-thirds majority approval in the Legislature and simple majority approval by the people at the following general election.

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**Summary of Bill:**

If an initiative to the people or an initiative to the Legislature requires public funds be spent for its implementation, the text of the initiative must specify an increase in an existing state revenue source, provide a new tax or fee, or a combination thereof, adequate to fully implement the measure. If an initiative to the Legislature or an initiative to the people repeals or restricts the collection of an existing tax or fee, reduces the rate or amount of a tax or fee, or creates or extends an exemption for a tax or fee, the text of the initiative must specify how the reductions are to be reflected in the affected budgets.

If the joint resolution is approved by the Legislature, the constitutional amendment will be placed on the November general election ballot for approval by the people.

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**Appropriation:** None.

**Fiscal Note:** Not Requested.

**Testimony For:** Washington has a long history of initiative activity. The bill requires initiatives to specify a funding source or revenue reduction for those initiatives that have a fiscal impact. This is an issue of full disclosure. Initiative sponsors must step up to the plate and acknowledge the impact of the measure. If an initiative is approved, the Legislature does not have to debate whether there are funds to support it because the text of the measure contains the funding source. Providing a revenue stream will benefit the state. The bill only impacts those initiatives that have a fiscal impact. It is the responsibility of the people proposing the measure to figure out how to fund it. Voters are simultaneously approving initiatives that increase services and reduce revenues.

The public hearing process allows the public to weigh the impact of the measure. Members of the committee must be appointed before initiatives are filed. The committee

is intended to provide a good, reliable source of information that is unbiased.

Public officials should be allowed to use public facilities to make an objective and neutral presentation on the impact of ballot measures. Efforts to educate voters on the issues before they enter the ballot box are beneficial. However, the Legislature should be careful that it does not end up requiring more information on the fiscal impact of an initiative than on the policy impact of the initiative.

**Testimony Against:** It is almost impossible to adequately summarize the impact of an initiative in 25 words. The report that appears on the ballot itself should be 50 words rather than 25 words. The proponents and opponents of a measure should be provided an opportunity to respond to the fiscal report. The sponsor of the initiative should have a method by which to appeal the report to Thurston County Superior Court. The challenge with an appeal process is that it is too time-consuming and could potentially hold up printing of the voters' pamphlet. The report should continue to be prepared by the Office of Financial Management.

**Testified:** Representative Moeller, prime sponsor; and Representative Clements, secondary sponsor.