

1802-S

Sponsor(s): House Committee on State Government (originally sponsored by Representatives Clements, Moeller, Wallace, Quall, Linville, Hudgins and Edwards)

Brief Description: Clarifying fiscal impact of initiatives.

HB 1802-S - DIGEST

(DIGEST OF PROPOSED 1ST SUBSTITUTE)

Provides that, if an initiative to the legislature or an initiative to the people requires public funds to be spent for its implementation, the text of the initiative must either specify an increase in an existing state revenue source, or provide a new tax or fee, or specify a combination thereof, adequate to fully implement the measure.

Provides that, 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 an existing tax or fee, or creates or extends an exemption for an existing tax or fee, the text of the initiative must specify how the reductions are to be reflected in the affected budgets.

Requires the initiative fiscal review committee to examine any projected increase or decrease in revenues, costs, expenditures, or indebtedness that state or local governments will experience if an initiative to the people is approved. The committee shall consider any disproportionate impacts that an initiative to the people will have on public and private entities, the fiscal and economic costs of the initiative, the costs of compliance for public and private entities, whether the initiative affects the collection of a tax or fee used to fund general government, and the rate or amount of a tax or fee impacted by the initiative.

Requires that, no later than August 31st, the committee shall issue a final report for each certified initiative to the people.

Declares that this act takes effect January 1, 2004, if the proposed amendment to Article II, section 1 of the state Constitution (HJR --) is validly submitted to and is approved and ratified by the voters at a general election held in November 2003. If the proposed amendment is not approved and ratified, section 1 of this act is void in its entirety.