

SENATE BILL REPORT

SHB 1876

As Passed Senate - Amended, March 2, 2022

Title: 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.

Brief Description: Concerning 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.

Sponsors: House Committee on State Government & Tribal Relations (originally sponsored by Representatives Gregerson, Valdez, Fitzgibbon, Simmons, Chopp, Ramel and Pollet).

Brief History: Passed House: 2/12/22, 54-44.

Committee Activity: State Government & Elections: 2/18/22, 2/23/22 [DPA, DNP].

Floor Activity: Passed Senate - Amended: 3/2/22, 26-22.

Brief Summary of Bill (As Amended by Senate)

- Requires a public investment impact disclosure to appear on the ballot as part of the ballot title for certain ballot measures that describes the state investments that will be affected if the measure is adopted.

SENATE COMMITTEE ON STATE GOVERNMENT & ELECTIONS

Majority Report: Do pass as amended.

Signed by Senators Hunt, Chair; Kuderer, Vice Chair; Hasegawa.

Minority Report: Do not pass.

Signed by Senators Wilson, J., Ranking Member; Hawkins.

Staff: Samuel Brown (786-7470)

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Background: Ballot Titles and Short Summaries. Each initiative and referendum contains a short description known as the ballot title. The ballot title consists of three things— a statement of the subject of the measure, a concise description of the measure, and a question in a prescribed form for the voter. The statement of subject must be ten or fewer words and sufficiently broad, yet precise, to give notice of the measure's subject. The concise description must be 30 or fewer words, truly and impartially describe the measure, and clearly identify the proposition to be voted on.

The ballot title and summary of an initiative are prepared by the Attorney General, subject to appeal to Thurston County Superior Court. Decisions of the Thurston County Superior Court on ballot titles and summaries are final and not subject to appeal.

Fiscal Impact Statements. For initiatives and referenda that appear on the ballot, the Office of Financial Management (OFM) prepares a fiscal impact statement that describes, in 100 words or fewer, any projected increase or decrease in revenues, costs, expenditures, or indebtedness that the state or local governments would experience if the ballot measure were approved by voters. The fiscal impact statement may include estimates and descriptions where appropriate. Fiscal impact statements must be completed by July 25th, and they are posted on the Secretary of State's website and included in the voters' pamphlet.

Summary of Amended Bill: Public Investment Impact Disclosure. A public investment impact disclosure must appear on the ballot as part of the ballot title for any ballot measure that:

- repeals, levies, or modifies a tax or fee; and
- has a fiscal impact statement that shows the measure would cause a net change in state revenue.

This disclosure must include a description of up to ten words of the investments that will be affected if the measure is adopted. If the fiscal impact is primarily to the general fund, the description must list the top three categories of state services funded by the general fund in the current state budget, and it may be up to 15 words in length.

Drafting the Disclosure. The disclosure must be drafted by the Attorney General, who may consult with OFM or other state and local agencies as needed, by July 31st.

Fiscal Impact Statements. Fiscal impact statements on ballot measures prepared by OFM are due to the Secretary by July 31st, rather than August 10th.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony on Substitute House Bill: *The committee recommended a different version of the bill than what was heard.* PRO: It's important for voters to understand funding issues on their ballots. These measures deeply impact public services that voters count on in their lives. Local governments may have their finances hamstrung by state measures. Voters primarily get information now from well-funded campaigns that only tell half the story, denying them the opportunity to look at the price tag for ballot measures. Voters need this information when making decisions that impact themselves, their families, and their communities. This will avoid the unintended consequence of voters undercutting services they actually want. No new ferries were built in the ten years after Initiative 695 passed, and the ferry system was barely able to function—it would have helped if voters had a concise, transparent, easily understood statement of that measure's fiscal impact in the ballot title. It doesn't make sense that a measure that affects the whole state gets less space on the ballot than a local measure. Voters get more context with local levies and bond measures—what they cost and what services will be funded or taken away. This will allow voters to choose their own destiny, fully informed, and will ensure the legacy of our state's transit systems.

CON: This is a deceptive bill using the idea of transparency to undermine the voice of the people. It produces a statement that's biased against initiatives, undermining the initiative process and robbing voters of a tool they desperately need. Supporters should have to make the case to the voters for tax reform, rather than having the Attorney General tip the scales on ballot measures. This bill is biased, unfair, and unjust. For 100 years, there's been a requirement that ballot titles be neutral, and this puts a thumb on the scale. The initiative process is already brutally difficult, and giving the Attorney General the power to effectively veto any initiative he doesn't like, without judicial oversight, removes checks and balances.

Persons Testifying: PRO: Cindy Madigan, League of Women Voters of Washington; Kathy Sakahara, Northwest Progressive Institute; Linda Jenkins; Diane Jones; Catherine Stanford, Former Deputy Mayor, Lake Forest Park; Joe Kunzler.

CON: Gabriel Reid; Brandon Davis; Tim Eyman, PermanentOffense.com; Greg Miller; Peter Newcomb; Laurie Layne; Myrna Lee Hilmo.

Persons Signed In To Testify But Not Testifying: PRO: Adam Kline, retired state senator, 37th District; Victoria Bickford; Cathy MacCaul, AARP Washington State; Cindy Black, Fix Democracy First; Steve Zemke, MajorityRules; Toby Crittenden; Jessa Lewis; Stephen Paolini; John Morefield; Carol Smith; Paul Purcell; David Kratz; Fay Weaver; Elizabeth Stellas; Laura Brustad; Justin Baird; Tula Holmes; Ken Dammand; Elizabeth Lunsford; Courtney Normand, Planned Parenthood Alliance Advocates; Sasha Slayton.

CON: Julie Barrett, Conservative Ladies of Washington; Bob Warshawer; Eddie Calderon; Philip Lane; Ira Appelman; Dam Pham; Jeff Pack, Washington Citizens Against Unfair

Taxes; Adriane McLaughlin; Elora Wykes.