State Government & Tribal Relations Committee

HB 1158

Brief Description: Encouraging electoral participation and making ballots more meaningful by abolishing advisory votes.

Sponsors: Representatives Walen, Reed, Peterson, Fitzgibbon, Taylor, Berry, Bateman, Ramel, Slatter, Macri, Simmons, Reeves, Duerr, Gregerson, Thai, Wylie, Stonier, Pollet, Santos, Fosse, Ormsby and Tharinger.

Brief Summary of Bill

- Repeals provisions that require legislative tax increases to be subject to an advisory vote in which voters at the next general election may express a preference for the tax increases to be repealed or maintained.
- Requires that certain information about recent state budgets and state and local expenditures must be included in voters' pamphlets in evennumbered years.
- Requires the Office of Financial Management to produce fiscal impact statements for enacted legislation that impacts state revenues.

Hearing Date: 1/11/23

Staff: Jason Zolle (786-7124).

Background:

Advisory Votes on Legislative Tax Increases. Initiative 960, which was approved in 2007, created a process for Washington citizens to participate in an advisory vote on whether a tax increase passed by the Legislature should be repealed or maintained. The vote is nonbinding and

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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.

the results do not affect the law. The advisory vote occurs at the next general election. An advisory vote is not held if the tax increase is referred to the people as a referendum or is included in a people's initiative.

Voters' Pamphlets. The Office of the Secretary of State (OSOS) is required to print a voters' pamphlet whenever at least one statewide measure or office is scheduled to appear on the general election ballot. The pamphlet must contain:

- information about initiatives or referenda submitted for the voters' approval or rejection;
- information about measures submitted for an advisory vote;
- statements and photographs of candidates for federal offices, many state offices, and appellate or superior court judges;
- contact information for the Public Disclosure Commission and a statement that its website contains information about donors;
- contact information for the major political parties; and
- any additional election information that the OSOS deems required by law or informative to voters.

With respect to advisory votes, the voters' pamphlet must contain:

- a short description of the tax increase, formulated by the Office of the Attorney General (OAG);
- the 10-year cost projection for the tax, including a year-by-year breakdown, as determined by the Office of Financial Management (OFM); and
- the names of state legislators and how they voted on the legislation.

The OSOS must distribute the pamphlet to each household in the state, to public libraries, and to other locations that the OSOS deems appropriate. The OSOS may make the pamphlet available in electronic form as well.

Fiscal Analysis of Legislative Tax Increases. Whenever a bill introduced in the Legislature raises taxes or increases fees, the OFM must determine its cost to taxpayers over the first ten years after its imposition. These fiscal analyses must be reported to legislators and the public and be posted on the OFM website. The ten-year cost projections must also include year-by-year breakdowns. The analyses must be updated and redistributed each time a bill increasing taxes or fees is scheduled for a public hearing, passed out of a committee, or passed by a chamber of the Legislature.

Summary of Bill:

Advisory Votes on Tax Increases. The requirement that legislation that increases taxes be referred to the people for an advisory vote at the next general election is repealed. The voters' pamphlet no longer needs to contain information about advisory votes.

Budget Information in the Voters' Pamphlet. In even-numbered years, the voters' pamphlet must include the following information about the most recently adopted regular and supplemental

operating, transportation, and capital budgets:

- a 300-word summary of each budget, and information about how to locate the bills and roll call votes for the budgets online;
- a pie chart prepared by the Legislative Evaluation and Accountability Program showing total budgeted funds in the state operating budget broken down by functional areas of government;
- tables provided by the OFM comparing state and local expenditures per \$1,000 of personal income over the past 20 years, and an explanation of what that measures; and
- instructions on how to find OFM fiscal impact statements for enacted bills that impact state revenue.

Fiscal Impact Statements. The OFM, the OSOS, the OAG, and any other appropriate agency must prepare a fiscal impact statement for each bill that increases or decreases state tax revenues that has been enacted since the previous election. The statements must include a summary of the bill and describe the increases and decreases in revenues, costs, expenditures, and indebtedness that the state or local governments will experience. The statements are due on July 23 and must be available on the OFM website and accessible on the front page of the Legislature's website.

Appropriation: None.

Fiscal Note: Requested on January 9, 2023.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.