

# HOUSE BILL REPORT

## SB 6571

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### As Passed House - Amended:

March 8, 2002

**Title:** An act relating to information about ballot measures.

**Brief Description:** Providing fiscal impact statements for ballot measures.

**Sponsors:** By Senators Franklin, Gardner, Fraser, Winsley, Keiser, McCaslin, Hargrove, Regala, Shin, Jacobsen, Snyder, Poulsen, Costa, B. Sheldon, Kastama, Spanel, Haugen, Fairley, Thibaudeau, McAuliffe, Rasmussen, Kohl-Welles and Oke.

### Brief History:

#### Committee Activity:

State Government: 2/28/02, 3/1/02 [DPA];

Appropriations: 3/2/02, 3/4/02 [DP(w/oSG amd)s].

#### Floor Activity:

Passed House - Amended: 3/8/02, 58-38.

### Brief Summary of Bill

- Requires the Office of Financial Management (OFM) to prepare a fiscal impact statement for each ballot measure that qualifies for the ballot, and a notice of probable impacts for each ballot measure that has a combined impact of over \$25 million.
- Requires the Office of the Secretary of State to print a 100-word summary of the fiscal impact statement in the voters' pamphlet, and post it on the website.
- Requires county auditors to print the 50-word notice of probable impacts on the ballot if the impact is over \$25 million.

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## HOUSE COMMITTEE ON STATE GOVERNMENT

**Majority Report:** Do pass as amended. Signed by 4 members: Representatives Romero, Chair; Miloscia, Vice Chair; McDermott and Schmidt.

**Minority Report:** Without recommendation. Signed by 3 members: Representatives McMorris, Ranking Minority Member; Schindler and Upthegrove.

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

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** Do pass without amendment by Committee on State Government. Signed by 20 members: Representatives Sommers, Chair; Doumit, 1st Vice Chair; Fromhold, 2nd Vice Chair; Sehlin, Ranking Minority Member; Alexander, Buck, Clements, Cody, Cox, Dunshee, Grant, Kagi, Kenney, Kessler, Linville, McIntire, Pearson, Ruderman, Schual-Berke and Tokuda.

**Minority Report:** Do not pass. Signed by 5 members: Representatives Boldt, Lisk, Mastin, Pflug and Talcott.

**Staff:** Linda Brooks (786-7153).

### **Background:**

Initiatives to the people, initiatives to the Legislature, and referenda are established by the state constitution. For two years following enactment, a two-thirds majority is necessary to amend or repeal any law approved by a vote of the people.

### Initiatives:

The text of an initiative must be filed with the Office of the Secretary of State 10 months before the election. The Office of the Attorney General (AG) writes the ballot title and a summary for each initiative and referendum. The ballot title consists of a subject statement, a concise description of the measure, and a question. The ballot title becomes the title of the measure on all petitions, ballots and other proceedings, and the summary must appear following the ballot title on all petitions. The signed petitions for an initiative to the people must be filed with the Office of the Secretary of State at least four months before the election, and the signed petitions for an initiative to the Legislature must be filed at least 10 days before the legislative session.

The Legislature may approve, reject, refer or take no action on initiatives to the Legislature. The Legislature must enact or reject the initiative without change or amendment before the end of the regular session. If the Legislature rejects or takes no action, the Office of the Secretary of State must submit the measure to the people at the next general election. The Legislature may also propose a similar measure addressing the same subject, in which case both measures are submitted to the people for a vote at the next general election.

### Referenda:

A referendum petition must be filed within 90 days of the day the legislative session adjourned, and may be submitted for a public vote at the next election or at a special election ordered by the Legislature. A referendum may be ordered on any law passed by

the Legislature except those necessary for the immediate preservation of the public peace, health or safety, or for the support of state government and its existing public institutions. The only other method by which a referendum election can be held is when the Legislature decides to refer a measure to the people for a vote, known as a referendum bill.

Voter's Pamphlet:

The voters' pamphlet must include, for each statewide initiative or referendum, the serial number, the official ballot title, a statement by the AG explaining the law as it presently exists, a statement by the AG explaining the effect of the proposed measure if it becomes law, the number of votes cast in the Legislature for and against the measure if it first passed the Legislature, arguments for and against the measure, the names of committee members who submitted the arguments, and the full text of the measure.

Fiscal Notes:

The OFM is required to prepare fiscal impact statements, known as fiscal notes, on bills reviewed by the Legislature. Fiscal notes must describe the expected increase or decrease in state or local revenues or expenditures caused by a bill, and are provided to the appropriate legislative committees.

**Summary of Amended Bill:**

The OFM, in consultation with the Office of the Secretary of State, the Department of Revenue, the AG, other state agencies, local governments, and legislative fiscal staff, must prepare a fiscal impact statement for each initiative to the people, initiative to the Legislature, alternative legislative measure, referendum measure and referendum bill that qualifies for the ballot. The fiscal impact statements must describe projected increases or decreases in revenues, costs, expenditures, or indebtedness that state and local governments will experience if the ballot measure is approved by voters. The fiscal impact statement must include a 100-word summary, and a more detailed statement that includes the assumptions made to develop the statement. The 100-word summary must be printed in the voters' pamphlet and posted on the Office of the Secretary of State's website. -

If the fiscal impact statement indicates an impact of over \$25 million, the OFM must prepare a 50-word summary, known as a notice of probable impacts, to be printed on the ballots under the ballot title. Both the fiscal impact statement and the notice of probable impacts must identify which specific government services or programs will be impacted.

The notice of probable impacts must be printed on the ballots directly below the ballot title.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** (State Government) (Original bill) The impact that statewide ballot measures have on the budget is tremendous. The more information available to voters to enable them to make educated decisions, the better. The bill has bi-partisan support. There is currently little accurate information available to voters on the fiscal impacts of ballot measures. An amendment could complicate the bill too much. The Association of Washington Business, the Association of General Contractors, the Association of Washington Cities, and the League of Women Voters support the bill. The OFM has concerns about potential amendments that require the OFM to identify which programs will be cut or impacted, especially for local governments, and amendments that allow committees to comment on the fiscal note. Information should be on the ballot itself because many people do not have time to read the voters' pamphlet.

**Testimony For:** (Appropriations) The original Senate bill did not include the statement of probable fiscal impacts for the ballot. There was bipartisan support for the original Senate version of the bill. The fiscal information provided in the voters' pamphlet will give voters more information. I feel very strongly that having more information in the voters' pamphlet to help voters to make their decisions would be very helpful. The OFM is supportive of the underlying Senate bill.

**Testimony Against:** (State Government) None.

**Testimony Against:** (Appropriations) None.

**Testified:** (State Government) Senator Franklin, prime sponsor; Cherie Davidson, League of Women Voters; Bill Vogler, Washington State Association of Counties; Duke Schaub, Associated General Contractors of Washington; Jim Bricker, PEMCO; Mellani Hughes, Association of Washington Business; Jim Justin, Association of Washington Contractors; Jim Hedrick, Office of Financial Management; and Steve Stuart, 1000 Friends of Washington.

**Testified:** (Appropriations) Senator Franklin, prime sponsor; and Jim Hedrick, Office of Financial Management.

