

# HOUSE BILL REPORT

## HB 2747

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**As Reported by House Committee On:**  
State Government

**Title:** An act relating to fiscal information on ballot measures.

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

**Sponsors:** Representatives McDermott, Romero, Schmidt, Upthegrove, Miloscia, Kagi, Dickerson, Dunshee, Edwards, Ogden, Morris, Lysen, Chase, Linville, Conway, Santos and Kenney.

**Brief History:**

**Committee Activity:**

State Government: 2/7/02, 2/8/02 [DP].

**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.
- Requires the Secretary of State to include a 100-word summary of the fiscal impact statement in the voters' pamphlet.
- Allows the committees that write the arguments for and against the measure to write responses to the fiscal impact statement, which are also included in the voters' pamphlet.

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### HOUSE COMMITTEE ON STATE GOVERNMENT

**Majority Report:** Do pass. Signed by 6 members: Representatives Romero, Chair; Miloscia, Vice Chair; McDermott, Schindler, Schmidt and Upthegrove.

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

**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 Secretary of State 10 months before the election. 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 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 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 measure 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.

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.

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**Summary of Bill:**

The OFM, in consultation with the Secretary of State, the Department of Revenue, 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 fiscal impact summary must be printed in the voters' pamphlet, and each committee that writes arguments for and against the measure may write a 75-word response. Just as the arguments for and against the measure are available to the public once the arguments on both sides are received, statements responding to the fiscal impact statement are available to the public once both statements are received.

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**Appropriation:** None.

**Fiscal Note:** Requested on January 30, 2002.

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

**Testimony For:** The League of Women Voters supports the preparation of fiscal impact statements and their inclusion in the voters' pamphlet. Citizens deserve to have easy access to the same fiscal impact information provided to legislators when considering a bill. The more information citizens can have to make an educated decision, the better. The Association of Washington Business supports the bill because efforts to better inform the voter are good. The county auditors support the bill because the voters' pamphlet is a great venue for educating the voters. The fiscal impact of initiatives on local governments is tremendous. Over 50 cities lost 30 percent or more of their revenues due to recently passed initiatives. If fiscal impacts are going to be prepared, they should be prepared to reflect the impact of the initiative on the private sector as well. The OFM supports the bill because it already prepares a fiscal analysis of initiatives that qualify for the ballot, which the OFM makes public and posts on the OFM website. The OFM would like the Attorney General to be added to the list of agencies for consultation in preparing the fiscal note.

**Testimony Against:** None.

**Testified:** (In support) Cherie Davidson, League of Women Voters; Pat Thompson, Washington State Council of County and City Employees; Jim Bricker, PEMCO; Steve Gano, Association of Washington Business; Suzanne Sinclair, Island County Auditor; and Jim Justin, Association of Washington Cities.

(In support with concerns) Paul Telford, Citizens for a Responsible Government; and  
Jim Hedrick, Office of Financial Management

(Opposed) Ivy Sager-Rosenthal, Washington Public Interest Research Group.