

# HOUSE BILL REPORT

## HB 2823

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

**Title:** An act relating to providing voters with additional information on fiscal impacts of initiatives.

**Brief Description:** Providing information on fiscal impacts of initiatives.

**Sponsors:** Representatives McDermott, Romero, Schmidt, Upthegrove, Schual-Berke, McIntire and Kagi.

**Brief History:**

**Committee Activity:**

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

**Brief Summary of Substitute Bill**

- Requires the Office of Financial Management (OFM) to prepare a fiscal impact statement for each initiative that qualifies for the ballot.
- Requires that a 75-word summary of the fiscal impact statement be printed on the ballot, directly below the ballot title, if the fiscal impact is over \$25 million.

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### HOUSE COMMITTEE ON STATE GOVERNMENT

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 5 members: Representatives Romero, Chair; Miloscia, Vice Chair; McDermott, Schmidt and Upthegrove.

**Minority Report:** Do not pass. Signed by 1 member: Representative Schindler.

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

**Background:**

Initiatives to the people, initiatives to the Legislature, and referenda are established by the state constitution. The text of an initiative must be filed with the Secretary of State 10 months before the election. The Attorney General writes the ballot title and a summary.

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.

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 Substitute 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. The fiscal impact statement must describe projected increases or decreases in revenues, costs, expenditures, or indebtedness that state and local governments will experience if the initiative is approved by voters.

If the fiscal impact statement indicates an impact of over \$25 million, the OFM must prepare a 75-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 programs, if any, will be eliminated. If the OFM cannot determine which specific government services or programs will be eliminated, the fiscal impact statement and notice of probable impacts must list five of the largest government services or programs currently funded by the impacted governments.

The OFM must file the notice of probable impacts with the Office of Secretary of State no more than 30 days after the initiative is certified for the ballot. Anyone dissatisfied with the notice of probable impacts may appeal to the Thurston County Superior Court. The court must examine the measure, the fiscal impact statement, the notice of probable impacts, and party's objections. The court must render a decision and, if necessary, provide a revised notice of probable impacts for printing on the ballots. The decision of the Thurston County Superior Court is final.

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

**Substitute Bill Compared to Original Bill:**

The initiatives for which a notice of probable impacts is printed on the ballot are those initiatives that have an impact over \$25 million. The substitute bill corrects technical inconsistencies contained in the original bill.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** The impact of initiatives on the counties is very serious. The threshold for placing the notice of probable impacts on the ballot should be lower than \$25 million. It is important to have fiscal information both on the ballot and in the voters' pamphlet, but reading the voters' pamphlet can be a daunting task. A possible idea is to shorten the notice of probable impacts to less than 75 words, and provide more information in the voters' pamphlet.

**Testimony Against:** The League of Women Voters is in favor of providing more information for voters but believes that the information should appear in the voters' pamphlet rather than on the ballot. The county auditors are concerned about the cost of adding 75 words to the ballot, which could increase the costs of buying, printing and mailing ballots by approximately 50 percent. It will be very difficult for the OFM to responsibly relay the true fiscal impact of an initiative in 75 words. There should not be more information provided on the fiscal impact of the initiative than there is provided on the substantive issue addressed by the initiative.

**Testified:** (In support) Bill Vogler, Washington State Association of Counties; Ivy Sager-Rosenthal, Washington Public Interest Research Group; and Jim Hedrick, Office of Financial Management.

(Concerns) Suzanne Sinclair, Island County Auditor; and Ron Pursley, Auditor's Association.

(Opposed) Cherie Davidson, League of Women Voters.