

SENATE BILL REPORT

SB 6689

As of February 2, 2010

Title: An act relating to ballot title information.

Brief Description: Concerning ballot title information.

Sponsors: Senator Pridemore.

Brief History:

Committee Activity: Government Operations & Elections: 2/01/10.

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Staff: Sharon Swanson (786-7447)

Background: The ballot title of a referendum or other question submitted to the voters by a local government must include a statement of the subject matter, a concise description of the measure, and the question. The concise description generally is limited to 75 words. If the measure is a property tax levy, the additional dollar amount of the tax must be included along with an estimate of the dollar rate of tax levy required to produce the new levy amount.

The property tax is the oldest of taxes in Washington and is subject to a number of constitutional and statutory requirements. The State Constitution (Constitution) requires all property taxes to be applied uniformly. This has been interpreted to mean that within any given taxing district, the district rate applied to each parcel of taxable property must be the same. The Constitution limits the sum of property tax rates to a maximum of 1 percent of true and fair value. Levies that are subject to the 1 percent rate limitation are known as regular levies, and there is no constitutional voting requirement for regular levies. The Constitution does provide a procedure for voter approval for tax rates that exceed the 1 percent limit. These taxes are called excess levies. The most common excess levies are maintenance and operation levies for school districts and bond retirement levies. Under excess levies, voters approve the dollar amount of the new levy and an estimate of the tax rate necessary to raise the dollar amount is provided.

In addition to constitutional and statutory limits on property tax rates, there is a statutory 1 percent limit on revenue growth for taxing districts. Under this revenue lid, the amount of revenue collected from a regular (non-voter-approved) property tax levy cannot be more than 1 percent above the highest one-year amount collected to the prior three years plus an

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additional amount equal to the tax on newly constructed property. Taxing districts may exceed this 1 percent cap if the voters in the district approve a lid lift which allows voters in a district to agree to tax themselves above the lid. Under a lid lift proposal, voters approve a new tax rate for the district. Under some proposals, they also approve an alternative growth rate as well.

Summary of Bill: For all ballot titles relating to a property tax levy, the title must state that the levy is new or a replacement and include a comparison of the financial impact from a taxing district's prior year levy, if any, and the current ballot, in both dollar and percentage change terms.

Ballot questions related to multiple year levies must include an estimate of the financial impact in the first year of the proposed levy as compared to the taxing district's prior year levy, if any, in both dollar and percentage terms.

For all ballot titles relating to a property tax levy, with the exception of specific levy rate questions, any indicated levy rate must be described as advisory.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: Yes.

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

Staff Summary of Public Testimony: PRO: The problem is that the only information that all voters will receive is on their ballot. Not every county publishes a voters pamphlet so there is no guarantee a ballot explanation will get to the voters. A ballot containing the title of the measure will get to the voters so that is where vital information belongs.

CON: Placing the rate increase in the ballot title is not complete transparency. There needs to be an explanation provided to address why the increase is being requested. There just isn't the space to do that in a ballot title. This lack of explanation creates confusion for the voter.

Persons Testifying: PRO: Robert Carlton, Washington Association of County Officials.

CON: Mike Brown, Washington Fire Chiefs.