

HOUSE BILL REPORT

SSB 5715

As Reported by House Committee On: State Government

Title: An act relating to including the contents of fiscal impact statements in the ballot title for certain initiative measures.

Brief Description: Including the contents of fiscal impact statements in the ballot title for certain initiative measures.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Fain, Pedersen, Braun and Angel).

Brief History:

Committee Activity:

State Government: 3/18/15, 4/1/15 [DPA].

Brief Summary of Substitute Bill (As Amended by Committee)

- Requires each voter initiative ballot title to include a statement regarding the fiscal impact if the estimated fiscal cost of the initiative would increase or decrease state expenditures or taxes by \$25 million or more.

HOUSE COMMITTEE ON STATE GOVERNMENT

Majority Report: Do pass as amended. Signed by 4 members: Representatives S. Hunt, Chair; Bergquist, Vice Chair; Appleton and Gregory.

Minority Report: Do not pass. Signed by 3 members: Representatives Holy, Ranking Minority Member; Van Werven, Assistant Ranking Minority Member; Hawkins.

Staff: Sean Flynn (786-7124).

Background:

Voter Initiatives.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Filing. A voter initiative submitted to the people, or to the Legislature to enact a proposed measure, must be filed with the Secretary of State for assignment of a serial number and official processing. An initiative to the people must be filed within 10 months of the next election. An initiative to the Legislature must be filed within 10 months of the next regular session.

Ballot Titles. Each proposed initiative is transmitted to the Attorney General once the Secretary of State has issued a serial number. The Attorney General formulates the title for each initiative, except the Legislature may prepare the title for a referendum submitted to the people, or for an alternative to an initiative submitted to the Legislature.

The ballot title of each proposed initiative must include a statement of the subject of the measure, a concise description of the measure, and a question seeking the voter's approval or opposition. The ballot title must appear on all petitions and ballots related to the initiative. A party dissatisfied with a proposed ballot title may file an appeal with the Thurston County Superior Court.

Petitions. After the Secretary of State has issued a serial number, the initiative proponents must submit a petition with the signatures of legal voters that equals at least 8 percent of all votes cast at the last election for the Office of the Governor. The petition for an initiative to the people must be filed no later than four months before the next general election, or 10 days before the next regular legislative session for an initiative to the Legislature. The Secretary of State verifies the petition signatures, and if sufficient, certifies the measure for inclusion in the next election.

Fiscal Impact Statements.

The Office of Financial Management (OFM) must prepare a fiscal impact statement for each ballot initiative and referendum to be published in the state voters' pamphlet and on the Secretary of State's website. The fiscal impact statement is prepared in consultation with the Secretary of State, the Attorney General, and other appropriate agencies.

The fiscal impact statement must describe any projected revenue increase or decrease, costs, expenditures, or other indebtedness that the state or local governments would incur if the ballot measure is approved. The statement must be filed with the Secretary of State no later than August 10.

Summary of Amended Bill:

The ballot title for each certified initiative to the people or to the Legislature must be revised to include a statement on the fiscal impact of the initiative, if the fiscal impact statement prepared by the OFM estimates a net biennial increase in state expenditures or decrease in revenue of \$25 million or more. A statement on the fiscal impact also must be included if the initiative would decrease expenditures or increase revenues by \$25 million or more. This requirement does not apply to an initiative to the Legislature where the Legislature has submitted a proposed alternative.

The statement on the ballot title for a measure that increases expenditures or decreases revenues must read as follows: "The state budget office had determined that this proposal would have an unfunded net impact of (amount) on the state budget. This means other state spending may need to be reduced or taxes increased to implement the proposal."

The statement on the ballot title for a measure that decreases expenditures or increases revenues must read as follows: "The state budget office has determined that this proposal would have net positive impact of (amount) on state budget. This means additional funding may be available for other state spending or taxes decreased as a result of the proposal."

Amended Bill Compared to Substitute Bill:

The amended bill requires a statement on the ballot title if the measure would decrease expenditures or increase revenues by at least \$25 million.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Amended Bill: The bill takes effect on January 1, 2016.

Staff Summary of Public Testimony:

(In support) This bill will help to clearly delineate the issues for voters, including the fiscal impact of the proposals. Voters should know what effect a proposal would have on state finances in order to make a more informed choice. An initiative has two separate issues, the highly publicized policy and the less scrutinized fiscal impact. Putting the financial information up front in the ballot title will provide the needed transparency for voters.

(Opposed) This bill is part of a trend of increasing hostility from the Legislature towards the public initiatives. This has adversely impacted individuals who want to participate in the legislative process. The fiscal statement proposed in this bill would act as a warning label, intended to influence voter action. However, the average voter would not understand the full effect of the fiscal impact.

This bill violates the neutrality of the ballot title that is drafted by the Attorney General, by purposefully creating prejudice against certain measures. This bill creates bias by selectively choosing which ballot measures to require a fiscal statement. The financial statement is prepared by the OFM, which is within the Governor's office, and the Governor is not neutral on many ballot measures.

Persons Testifying: (In support) Senator Fain, prime sponsor; and Frank Ordway, League of Education Voters.

(Opposed) Steve Nielson, Make Every Vote Count Committee; Tim Eyman; and Scott Roberts, My Freedom Foundation.

Persons Signed In To Testify But Not Testifying: None.