

SENATE BILL REPORT

SB 5715

As Reported by Senate Committee On:
Ways & Means, February 24, 2015

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: Senators Fain, Pedersen, Braun and Angel.

Brief History:

Committee Activity: Ways & Means: 2/09/15, 2/24/15 [DPS, w/oRec].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5715 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hill, Chair; Braun, Vice Chair; Dammeier, Vice Chair; Honeyford, Vice Chair, Capital Budget Chair; Hargrove, Ranking Member; Keiser, Assistant Ranking Member on the Capital Budget; Bailey, Becker, Brown, Conway, Fraser, Hasegawa, Hatfield, Hewitt, Kohl-Welles, O'Ban, Parlette, Rolfes, Schoesler and Warnick.

Minority Report: That it be referred without recommendation.

Signed by Senators Billig and Padden.

Staff: Steve Jones (786-7440)

Background: The initiative power is reserved to the people under Article II of the state Constitution. By statute, the ballot title and summary of an initiative measure is prepared by the Attorney General, subject to appeal to the Superior Court of Thurston County. In addition the Office of Financial Management prepares a fiscal impact statement for an initiative measure appearing on the state ballot. This statement is available online and is included in the state voter's pamphlet. The fiscal impact statement must be written in clear and concise language and describe any projected increase or decrease in state and local revenues, costs, indebtedness, or expenditures attributable to the initiative.

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.

Summary of Bill (Recommended Substitute): If the fiscal impact statement for an initiative indicates that the initiative will result in an estimated net biennial increase in state expenditures of more than \$25 million, or an estimated net biennial decrease in state revenues of more than \$25 million, the ballot title must include the following statement: "The state budget office has determined that this proposal would have an unfunded net impact of [amount] on the state general fund. This means other state spending may need to be reduced or taxes increased to implement the proposal." This statement is inserted into the ballot title of the applicable initiatives after the initiative signatures have been certified and the measure has qualified for the ballot.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Substitute): The statement in the ballot title is revised to read as follows: "The state budget office has determined that this proposal would have an unfunded net impact of [amount] on the state general fund. This means other state spending may need to be reduced or taxes increased to implement the proposal." This statement is inserted into the ballot title of the applicable initiatives after the initiative signatures have been certified and the measure has qualified for the ballot. The bill takes effect on January 1, 2016.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: January 1, 2016.

Staff Summary of Public Testimony on Original Bill: PRO: This bill simply provides more information to the voters, in a fair and even-handed manner. The bill addresses both initiatives that cut state revenues and initiatives that increase state spending. This notice will make voters better informed. No measure will be prevented from reaching the ballot, and signature campaigns will not be burdened. The voters need to be asked if they can afford each measure that appears on the ballot. If an initiative is promising ponies for all, the voters need to know how much those ponies cost. This bill injects facts, not bias. When the voters know the consequences of their choices, the state budget will be more sustainable. The current fiscal impact statements included in the Voters Pamphlet are long and complex. This bill is more citizen friendly. The voters need more information to help them distinguish between what merely sounds good and what will actually work.

CON: The Legislature this session has a bizarre obsession with throwing a monkey wrench into the initiative process. The number of initiatives enacted in recent history is miniscule compared to the number of bills enacted by the Legislature. This measure would purposely inject a biased, argumentative statement into the ballot title. This is an unwarranted attack on the initiative process. It insults the voters' intelligence to say that they do not understand what they are voting on. This is not the way to deal with unfunded initiatives. This bill should not circumvent the Senate Committee on Government Operations. That committee has a long history of dealing with bills relating to the initiative process, and that committee is currently considering several other proposals to increase the relevant information available to

the voters. Other states have used a citizens' commission to provide commentary and analysis on initiative proposals, or public hearings could be held on pending initiatives.

Persons Testifying: PRO: Senator Fain, prime sponsor; Amber Carter, Assn. of WA Business; Neil Strege, WA Roundtable; David Williams, Assn. WA Cities; Cary Evans, Stand for Children; Frank Ordway, League of Education Voters.

CON: Senator Roach; Tim Eyman, Jerry Gibbs, citizens.