
SUBSTITUTE HOUSE BILL 1981

State of Washington 65th Legislature 2017 Regular Session

By House State Government, Elections & Information Technology
(originally sponsored by Representatives Farrell, Ormsby, Slatter,
Pollet, and Jenkins)

READ FIRST TIME 02/17/17.

1 AN ACT Relating to estimating the effective tax rate of proposed
2 ballot measures and legislation; amending RCW 29A.32.070 and
3 29A.72.025; adding a new section to chapter 29A.72 RCW; and adding a
4 new section to chapter 43.88A RCW.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 29A.32.070 and 2016 c 83 s 1 are each amended to
7 read as follows:

8 (1) The secretary of state (~~shall~~) must determine the format
9 and layout of the voters' pamphlet published under RCW 29A.32.010.
10 The secretary of state (~~shall~~) must print the pamphlet in clear,
11 readable type on a size, quality, and weight of paper that in the
12 judgment of the secretary of state best serves the voters. The
13 pamphlet must contain a table of contents. Measures and arguments
14 must be printed in the order specified by RCW 29A.72.290.

15 (2) The secretary of state's name may not appear in the voters'
16 pamphlet in his or her official capacity if the secretary is a
17 candidate for office during the same year. His or her name may only
18 be included as part of the information normally included for
19 candidates.

20 (3) The voters' pamphlet must provide the following information
21 for each statewide issue on the ballot except measures for an

1 advisory vote of the people whose requirements are provided in (1) of
2 this subsection (~~((11) of this section)~~):

3 ~~((1))~~ (a) The legal identification of the measure by serial
4 designation or number;

5 ~~((2))~~ (b) The official ballot title of the measure;

6 ~~((3))~~ (c) A statement prepared by the attorney general
7 explaining the law as it presently exists;

8 ~~((4))~~ (d) A statement prepared by the attorney general
9 explaining the effect of the proposed measure if it becomes law;

10 ~~((5))~~ (e) The fiscal impact statement prepared under RCW
11 29A.72.025;

12 ~~((6))~~ (f) The revenue equity statement prepared under section 2
13 of this act;

14 (g) The total number of votes cast for and against the measure in
15 the senate and house of representatives, if the measure has been
16 passed by the legislature;

17 ~~((7))~~ (h) An argument advocating the voters' approval of the
18 measure together with any statement in rebuttal of the opposing
19 argument;

20 ~~((8))~~ (i) An argument advocating the voters' rejection of the
21 measure together with any statement in rebuttal of the opposing
22 argument;

23 ~~((9))~~ (j) Each argument or rebuttal statement must be followed
24 by the names of the committee members who submitted them, and may be
25 followed by a telephone number that citizens may call to obtain
26 information on the ballot measure;

27 ~~((10))~~ (k) The full text of the measure;

28 ~~((11))~~ (l) Two pages (~~shall~~) must be provided in the general
29 election voters' pamphlet for each measure for an advisory vote of
30 the people under RCW 43.135.041 and (~~shall~~) must consist of the
31 serial number assigned by the secretary of state under RCW
32 29A.72.040, the short description formulated by the attorney general
33 under RCW 29A.72.283, the tax increase's most up-to-date ten-year
34 cost projection, including a year-by-year breakdown, by the office of
35 financial management under RCW 43.135.031, and the names of the
36 legislators, and their contact information, and how they voted on the
37 increase upon final passage so they can provide information to, and
38 answer questions from, the public. For the purposes of this
39 subsection, "names of legislators, and their contact information"
40 includes each legislator's position (senator or representative),

1 first name, last name, party affiliation (for example, Democrat or
2 Republican), city or town they live in, office phone number, and
3 office email address.

4 NEW SECTION. **Sec. 2.** A new section is added to chapter 29A.72
5 RCW to read as follows:

6 (1) The office of financial management must prepare a revenue
7 equity statement for each of the following state ballot measures:

8 (a) An initiative to the people that is certified to the ballot;

9 (b) An initiative to the legislature that is certified to the
10 house of representatives and the senate;

11 (c) An alternative measure appearing on the ballot that the
12 legislature proposes to an initiative to the legislature;

13 (d) A referendum bill referred to voters by the legislature; and

14 (e) A referendum measure appearing on the ballot.

15 (2) The revenue equity statement must describe the projections
16 for how the ballot measure would affect any projected increase or
17 decrease in the average effective tax rate imposed directly or
18 indirectly on Washington residents in excess of 0.05 percent of
19 family income for any family income quintile. Each statement must
20 include:

21 (a) The estimated average effective tax rate, expressed as a
22 percentage of household income, imposed by each family income
23 quintile;

24 (b) Similar estimates within the top fifteenth percentile, fourth
25 percentile, first percentile, and 0.1 percentile under current law
26 and under each proposed measure;

27 (c) Comparable estimates for the first six fiscal years following
28 enactment of the proposed measure; and

29 (d) A summary of the ballot measure not to exceed two hundred
30 words and a more detailed disclosure that includes the assumptions
31 that were made to estimate the effective rate of taxes, and any
32 unavoidable limitations on the availability of data for a
33 comprehensive analysis.

34 (3) Revenue equity statements must be written in clear and
35 concise language, avoid legal and technical terms when possible, and
36 be filed with the secretary of state no later than the last business
37 day in July for a ballot measure to the people, or no later than the
38 first day of the legislative session for which an initiative to the
39 legislature has been submitted. Revenue equity statements may include

1 easily understood graphics. Revenue equity statements must be
2 available online from the secretary of state's web site and included
3 in the state voters' pamphlet. Additional information may be posted
4 on the web site of the office of financial management.

5 (4) For the purposes of this section "effective tax rate"
6 includes fees that apply broadly to the majority of Washington
7 residents as well as revenue measures that are identified as taxes.

8 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.88A
9 RCW to read as follows:

10 (1) The director of financial management, in consultation with
11 the legislature, the department of revenue, and any other appropriate
12 state or local agency, must establish a procedure for the provision
13 of a tax rate equity statement for legislative bills that describes
14 how the bill would affect any projected increase or decrease in the
15 average effective tax rate imposed directly or indirectly on
16 Washington residents in excess of 0.05 percent of family income for
17 any family income quintile.

18 (2) Each statement must include:

19 (a) The estimated average effective tax rate, expressed as a
20 percentage of household income, imposed by each family income
21 quintile;

22 (b) Similar estimates for the top fifteenth percentile, fourth
23 percentile, first percentile, and 0.1 percentile under current law
24 and under each proposed measure;

25 (c) Comparable estimates for the first six fiscal years following
26 enactment of the proposed measure; and

27 (d) A summary of the bill not to exceed two hundred words and a
28 more detailed disclosure that includes the assumptions that were made
29 to estimate the effective rate of taxes, and any unavoidable
30 limitations on the availability of data for a comprehensive analysis.

31 (3) For the purposes of this section "effective tax rate"
32 includes fees that apply broadly to the majority of Washington
33 residents as well as revenue measures that are identified as taxes.

34 **Sec. 4.** RCW 29A.72.025 and 2009 c 415 s 7 are each amended to
35 read as follows:

36 The office of financial management, in consultation with the
37 secretary of state, the attorney general, and any other appropriate
38 state or local agency, shall prepare a fiscal impact statement for

1 each of the following state ballot measures: (1) An initiative to the
2 people that is certified to the ballot; (2) an initiative to the
3 legislature that will appear on the ballot; (3) an alternative
4 measure appearing on the ballot that the legislature proposes to an
5 initiative to the legislature; (4) a referendum bill referred to
6 voters by the legislature; and (5) a referendum measure appearing on
7 the ballot. Fiscal impact statements must be written in clear and
8 concise language, avoid legal and technical terms when possible, and
9 be filed with the secretary of state no later than the (~~tenth day of~~
10 ~~August~~) last business day of July. Fiscal impact statements may
11 include easily understood graphics.

12 A fiscal impact statement must describe any projected increase or
13 decrease in revenues, costs, expenditures, or indebtedness that the
14 state or local governments will experience if the ballot measure were
15 approved by state voters. Where appropriate, a fiscal impact
16 statement may include both estimated dollar amounts and a description
17 placing the estimated dollar amounts into context. A fiscal impact
18 statement must include both a summary of not to exceed one hundred
19 words and a more detailed statement that includes the assumptions
20 that were made to develop the fiscal impacts.

21 Fiscal impact statements must be available online from the
22 secretary of state's web site and included in the state voters'
23 pamphlet. Additional information may be posted on the web site of the
24 office of financial management.

--- END ---