



The League of Women Voters of Seattle

Summaries of Ballot Issues

November 3, 2009 General Election

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The League of Women Voters of Seattle has made every effort to present objective, nonpartisan information about the November 3, 2009 general election ballot measures, with no attempt to influence voters or evaluate arguments advanced by proponents or opponents, other than to ensure that arguments have a factual basis. League volunteers research and analyze each measure, work with ballot issue proponents and opponents and obtain information from a variety of sources. The League encourages voters to read the official Voters Pamphlet, newspapers and other sources of election information.

Washington State Initiative I033

BALLOT TITLE

Initiative Measure No. I033 concerns state, county and city revenue. This measure would limit growth of certain state, county and city revenue to annual inflation and population growth, not including voter-approved revenue increases. Revenue collected above the limit would reduce property tax levies. Should this measure be enacted into law? Yes No

BALLOT MEASURE SUMMARY

This measure would limit growth in state revenues deposited in funds subject to the state expenditure limit, and limit growth in county and city revenues deposited into the county and city current expense funds. The limit would be adjusted based on annual growth in inflation and population. The limit also would apply to revenues transferred out of these funds. The limit would exclude voter-approved revenue increases. Revenues above the limit would reduce property tax levies.

BACKGROUND

Major sources of revenue for Washington's state, county, and city governments are the property tax, sales tax, business and occupation (B&O) tax, and gasoline tax. In 2008, state general fund revenues included funds from the following sources:

Property taxes	11 percent (dedicated to basic education)
B&O tax	22 percent
Sales tax	54 percent
Gasoline tax	7 percent (dedicated to highways)

At all levels, general fund revenues also include numerous fees and other lesser sources of income. In contrast to the state, local jurisdictions depend on the property tax for about 60 percent of their revenues, and on the sales tax for 20 percent.

In 2006, Washington ranked 29th among the 50 states in amount of property tax collected per \$1000 of personal income. Washington does not have a state income tax. Its sales tax is one of the highest in the nation. Washington ranks eighth nationally in terms of personal income. Total per capita taxes paid by Washington individuals are \$4,333, slightly above the national average.

The collection and use of various taxes is subject to various restrictions. Those currently applying to the property tax include:

The maximum amount of tax that may be levied on a parcel of property is one percent of its market value, or \$10 per \$1000 of assessed value (AV). Since property taxes are levied by the state, counties, cities and other junior taxing districts, each district is limited in the maximum rate it can levy. The state may collect \$3.60 per \$1000 AV, which is used only for the support of the public schools.

Counties, cities, road districts and junior districts share \$5.90. Counties may receive up to \$1.80; cities may receive up to \$3.60 if they are providing library and fire protection services. Unincorporated areas which are not part of cities may receive up to \$2.25 for roads. Numerous

junior districts such as water districts, hospital districts, airport districts and many others share the balance of the \$5.90.

Six additional specified purposes may share the remaining \$.50. They are: open space preservation, emergency medical services, affordable housing, metropolitan parks, criminal justice, and ferry service.

None of the three levels of government are currently levying to their allowed maximum, since increasing the property tax levy is subject to several restrictions and growth in assessed property values has increased in most years.

In 1971, property tax revenues were limited to 106 percent of the highest amount levied during the past three years (an increase of six percent). In 2007, a measure passed by the legislature limited the increase each year to one percent of the highest prior lawful levy. If Initiative 1033 were passed, growth in total general fund sources of revenue would be limited to a rate determined by inflation and population growth.

Taxing districts can increase the amount of the property tax collected through special levies including levy lid lifts. Most taxing districts in Washington State pass special levies for the support of schools and other local interests.

WHAT IS THE EFFECT OF INITIATIVE 1033?

If revenues to the general fund at the state, county, or city level exceed revenues collected the preceding year, adjusted for population growth and inflation, the excess amount will go into a fund that will be used to lower the property tax. It is unclear whether this will establish a new base for future levies. Since the collection of property taxes is based on a levy that originates with a budget, property tax collections are not likely to exceed expectations.

According to the fiscal note on the Secretary of State's website, if enacted, I-1033 would reduce the state general fund revenues that support education, social, health and environmental services, and general government activities by an estimated \$5.9 billion over the next six years. The initiative would also reduce general fund revenues that support public safety, infrastructure and general government activities by an estimated \$694 million for counties and \$2.1 billion for cities. The sponsors of I-1033 believe these estimates to be low.

Those in favor say:

- ➡ I-601, approved by the voters in 1993, allowed government to grow at a sustainable rate while setting limits on its fiscal policies. I-1033 closes loopholes added to I-601 by the state legislature and returns to the policies established by I-601, with a reasonable allowance for growth.
- ➡ The Washington State property tax is obscene and unsustainable; lowering the property tax will stimulate economic growth and give relief to working families and fixed-income senior citizens. Initiative 1033 will provide a way of limiting government and stabilizing revenues and expenditures.

Those against say:

- ➡ Initiative 1033 would severely limit the state's flexibility in meeting changing needs or using increased revenues during good times to improve services, since all revenues beyond the established limit would be moved to a fund to lower property taxes.
- ➡ The county and certain cities also collect the sales tax and B&O taxes. Both of these taxes are generally criticized as being unfair. Sales taxes impact low and moderate income residents disproportionately. Businesses pay B&O taxes on their gross receipts, not their net income. Initiative 1033 would shift even more of the cost of government to these sources and severely limit their availability to meet changing needs.

ORGANIZED SUPPORT FOR I-1033

- ➡ Voters Want More Choices
<http://www.permanent-offense.org/>

ORGANIZED OPPOSITION TO I-1033

- ➡ The No on 1033 Committee leads the opposition to I-1033, with endorsements from many unions and environmental, health, education, community and political organizations; for a complete list, go to no1033.com.

Note: This analysis was sent to the campaigns; we regret that we received no comments before its publication.

Washington State Referendum Measure 71

BALLOT TITLE

The Legislature passed Engrossed Second Substitute Senate Bill 5688 concerning rights and responsibilities of state-registered domestic partners and voters have filed a sufficient referendum petition on this bill.

This bill would expand the rights, responsibilities, and obligations accorded state-registered same-sex and senior domestic partners to be equivalent to those of married spouses, except that a domestic partnership is not a marriage. Should this bill be Approved Rejected

BACKGROUND

In 2007, the Washington State Legislature created a domestic partnership registry for same-sex couples and senior couples where one partner is at least 62 years old. Domestic partners who registered with the state then had some initial protections such as the right to visit partners in the hospital and the right to inherit and make medical and end of life decisions when partners were no longer able to make such decisions for themselves. In 2008, other protections were added, such as community property, and support and child custody rights at dissolution. In 2009, the third and final piece of the domestic partnership laws was enacted. This law added domestic partners into the remaining areas of state law not previously covered, including the right to take family medical leave to care for a critically ill partner, the right to unpaid wages and pensions upon death, the right to certain insurance and workers' compensation coverage, victims' rights, including the right to receive notifications, business succession rights, and legal process rights, such as the ability to sign certain documents. As of 2009, there are more than 12,000 people in registered domestic partnerships in Washington. Registered domestic partnerships are not marriages, and marriage is prohibited under state law except between one man and one woman.

FISCAL IMPACT

Estimated costs to the budget range from \$1 million to \$4.25 million. The bulk of cost estimates are related to state employee pension survivor benefits, worker compensation and crime victim claim benefits. Not included in this figure are some administrative costs at the county and city levels of government.

For fiscal years 2009–15, the following estimated costs would be incurred:

\$1.1 million – Additional workers' compensation and crime victim claim benefits.

\$2.6 million – Additional state employee pension survivor benefits.

\$300,000 – Changes to public rules, information systems, publications and other administrative costs.

E2SSB 5688 extends eligibility for public employee health benefits to all registered domestic partnerships. However, the Public Employees Benefits Board has exercised its statutory discretion to extend public employee health benefits to all registered domestic partnerships independent of E2SSB 5688. Therefore, costs estimated by the Health Care Authority for the implementation of the bill are excluded from this estimate.

While the fiscal impact cannot be determined, counties and cities would incur some expenses related to revision of property tax laws, additional court cases and related matters.

A more detailed fiscal note can be found on the legislature's website.

THE EFFECT OF THE BILL IF APPROVED

If approved, E2SSB 5688, the Domestic Partnership Expansion Act of 2009, would take effect as passed by the legislature. The bill amends references in approximately 200 state statutes so that rights, responsibilities, and obligations granted by or imposed by state law on married couples and their families would apply equally to state-registered domestic partners. The terms spouse, marriage, marital, husband, wife, widow, widower, next of kin, and family, when used in state statutes and in the Washington Administrative Code, would be interpreted as applying equally to state-registered domestic partnerships as well as to marital relationships and married persons. Similarly, references to dissolution of marriage would apply equally to state-registered domestic partnerships that have been terminated, dissolved, or invalidated. Gender specific terms such as husband and wife used in any statute, rule, or other law would be construed to be gender neutral, and applicable to individuals in state-registered domestic partnerships.

The bill provides state-registered domestic partners a number of rights and responsibilities such as: the ability to use available sick leave to care for a seriously ill domestic partner; the right to receive disability benefits when a domestic partner is injured on the job; the right to receive unpaid wages upon the death of a domestic partner; the ability to receive unemployment benefits, disability insurance benefits, or workers' compensation coverage where such benefits and coverage is provided to married spouses; rights under insurance policies that accrue as a matter of law after the death of a spouse, such as conversion rights and continuing coverage rights; rights and responsibilities related to adoption, child custody, and child support; and rights related to business succession applicable to married spouses.

Currently, state-registered domestic partners can, in certain circumstances, dissolve their partnerships without going to court. If the measure is approved, then that process would no longer be available. In that event, the process to dissolve all state-registered domestic partnerships would be akin to obtaining a divorce.

If the bill is approved, then registered domestic partners will have almost all the rights and responsibilities granted to legally married couples under state law except that clergy will not be able to validate for legal purposes a domestic partnership, and unlike a marriage certificate, a domestic partnership registration makes no attempt to confer federal protections such as Social Security or equal treatment under the IRS tax code. Other federal protections are also not included.

THE EFFECT IF THE BILL IS REJECTED

If the bill is rejected, E2SSB 5688 would not become law and registered domestic partners and their families would not get the protections contained in the law.

Rejecting the law in Referendum 71 would leave in place only the state-based domestic partnership benefits and duties included in the laws passed in 2007 and 2008.

Those in favor say:

- All families in Washington deserve to be treated equally under the law and to have essential protections for their families, especially in times of crisis, such as when a parent or partner dies.
- Police officers and firefighters who risk their lives to protect our communities need domestic partnership laws if they are hurt or killed in the line of duty, so that their families are taken care of by their pension or workers' compensation.
- Some elders who are widowed or divorced end up sacrificing hard-earned Social Security, health care, military or pension benefits if they remarry. The domestic partnership law allows senior couples to have the legal protections they need, take care of each other, be able to provide insurance or take family or medical leave if a partner is gravely ill, and make critical decisions for one another in times of crisis, without losing benefits that for many may be their only source of income. They should not have to live in poverty in order to be together with the person they love.

Those against say:

- If the proposed measure passes, Washington State will immediately become subject to litigation by same-sex partners demanding that the courts overturn the Defense of Marriage Act and impose "same-sex marriage." Such a result would demolish the state's historical understanding and definition of marriage as uniting a man and a woman for life.
- Children need both fathers and mothers. Thousands of studies show that children raised in a family with both a mother and a father are healthier emotionally and physically than those raised in a non-traditional family.
- Senate Bill 5688 will redefine terms such as "husband" and "wife" as gender neutral terms. According to the wording in the bill, "Where necessary to implement this act, gender-specific terms such as husband and wife used in any statute, rule, or other law shall be construed to be gender neutral, and applicable to individuals in state registered domestic partnerships."
- Homosexuals have the right to live as they choose; they do not have a right to redefine marriage for everyone.

ORGANIZED SUPPORT FOR Ref. 71

- The Approve 71 campaign has been endorsed by more than 180 organizations, including an array of large and small businesses, labor groups, education groups, civic groups, social-service providers, churches, faith-based, senior, women's, social justice and people-of-color organizations. R-71 was approved by the Legislature and signed by Gov. Chris Gregoire in May of this year.

For a complete listing of organizational coalition members, go to www.approve71.org.

ORGANIZED OPPOSITION TO Ref. 71

- The campaign to reject the measure in Referendum is led by Protect Marriage Washington. Its endorsers include the Knights of Columbus, some state legislators, and leaders of some churches and faith-based organizations.

For more information go to www.protectmarriagewa.com.