

# House Bill 2543

Sponsored by Representative GARRETT; Representatives BARNHART, DEMBROW, GREENLICK, MATTHEWS  
(Presession filed.)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Modifies certain provisions relating to state initiative measures that require appropriation or expenditure of public moneys.

Takes effect only if House Joint Resolution 15 (2013) is approved by people at next regular general election. Takes effect on effective date of constitutional amendment proposed in House Joint Resolution 15 (2013).

## A BILL FOR AN ACT

1  
2 Relating to initiative measures; creating new provisions; amending ORS 250.035, 250.125 and 250.127;  
3 and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Sections 2 and 3 of this 2013 Act are added to and made a part of ORS**  
6 **chapter 250.**

7 **SECTION 2. (1) The Secretary of State shall review a state measure to be initiated to**  
8 **determine whether the measure complies with the procedural requirements of Article IV,**  
9 **section 1, of the Oregon Constitution. The secretary may not review a state measure to be**  
10 **initiated for substantive constitutional or legal sufficiency.**

11 **(2) Before obtaining signatures on a petition for a state measure to be initiated, a chief**  
12 **petitioner of the measure shall submit to the Secretary of State:**

13 **(a) An estimate of the appropriation or expenditure of public moneys required by the**  
14 **measure, if enacted; and**

15 **(b) If the measure requires the appropriation or expenditure of public moneys, an esti-**  
16 **mate of the sufficiency of the new tax or fee, or the increase in the rate of an existing tax**  
17 **or fee, included as part of the measure.**

18 **(3) The chief petitioner shall also submit documentation to support an estimate described**  
19 **in subsection (2) of this section. The Secretary of State may consider the estimate and**  
20 **documentation submitted to determine whether the measure is in compliance with the pro-**  
21 **cedural requirements of Article IV, section 1 (2)(e), of the Oregon Constitution.**

22 **SECTION 3. If the revenue from a new tax or fee, or an increase in the rate of an ex-**  
23 **isting tax or fee, included with a measure, is challenged for sufficiency under Article IV,**  
24 **section 1 (2)(e), of the Oregon Constitution, the chief petitioner of the measure bears the**  
25 **burden of proving by a preponderance of the evidence that the revenue from the new or in-**  
26 **creased tax or fee included with the measure is sufficient to cover the immediate and future**  
27 **costs of the measure.**

28 **SECTION 4. ORS 250.035 is amended to read:**

29 250.035. (1) The ballot title of any measure, other than a state measure, to be initiated or re-

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.  
New sections are in **boldfaced** type.

ferred shall consist of:

(a) A caption of not more than 10 words which reasonably identifies the subject of the measure;

(b) A question of not more than 20 words which plainly phrases the chief purpose of the measure so that an affirmative response to the question corresponds to an affirmative vote on the measure; and

(c) A concise and impartial statement of not more than 175 words summarizing the measure and its major effect.

(2) The ballot title of any state measure to be initiated or referred shall consist of:

(a) A caption of not more than 15 words that reasonably identifies the subject matter of the state measure. The caption of an initiative or referendum amendment to the Constitution shall begin with the phrase, "Amends Constitution," which shall not be counted for purposes of the 15-word caption limit;

(b) A simple and understandable statement of not more than 25 words that describes the result if the state measure is approved. The statement required by this paragraph shall include either the phrase, "I vote" or "vote yes," or a substantially similar phrase, which may be placed at any point within the statement;

(c) A simple and understandable statement of not more than 25 words that describes the result if the state measure is rejected. The statement required by this paragraph shall not describe existing statutory or constitutional provisions in a way that would lead an average elector to believe incorrectly that one of those provisions would be repealed by approval of the state measure, if approval would not have that result. Any thing or action described both in the statement required by paragraph (b) of this subsection and in the statement required by this paragraph shall be described using the same terms in both statements, to the extent practical. Any different terms must be terms that an average elector would understand to refer to the same thing or action. The statement shall include either the phrase, "I vote" or "vote no," or a substantially similar phrase, which may be placed at any point within the statement; and

(d) A concise and impartial statement of not more than 125 words summarizing the state measure and its major effect.

**(3) The ballot title of a state measure to be initiated that includes as part of the measure a new tax or fee, or an increase in the rate of an existing tax or fee, as required by Article IV, section 1 (2)(e), of the Oregon Constitution, shall contain the statement, "If approved, the measure will be paid for from \_\_\_\_\_," with a description of the new or increased tax or fee printed in the blank space.**

[(3)] (4)(a) The statements required by subsection (2)(b) and (c) of this section shall be written so that, to the extent practicable, the language of the two statements is parallel.

[(4)] (b) The statement required by subsection (2)(b) of this section shall be written so that an affirmative response to the statement corresponds to an affirmative vote on the state measure.

[(5)] (c) The statement required by subsection (2)(c) of this section shall be written so that an affirmative response to the statement corresponds to a negative vote on the state measure.

[(6)] (d) In the statements required by subsection (2)(b), (c) and (d) of this section, reasonable discretion shall be allowed in the use of articles and conjunctions, but the statements shall not omit articles and conjunctions that are necessary to avoid confusion to or misunderstanding by an average elector.

**SECTION 5.** ORS 250.125 is amended to read:

250.125. (1) When a state measure involves expenditure of public moneys by the state, reduction

1 of expenditure of public moneys by the state, reduction of state revenues or raising of funds by the  
 2 state by imposing any tax or incurring any indebtedness, the financial estimate committee created  
 3 under this section shall estimate:

4 (a) The amount of direct expenditure, direct reduction of expenditure, direct reduction in state  
 5 revenues, direct tax revenue or indebtedness and interest that will be required to meet the pro-  
 6 visions of the measure if it is enacted; *[and]*

7 (b) The aggregate amount of direct expenditure, direct reduction of expenditure, direct reduction  
 8 in revenues, direct tax revenue or indebtedness and interest that will be required by any city,  
 9 county or district to meet the provisions of the measure if it is enacted[.]; **and**

10 **(c) In addition to the estimate under paragraph (a) of this subsection, in the case of a**  
 11 **state measure described in Article IV, section 1 (2)(e), of the Oregon Constitution, the**  
 12 **amount of direct revenue that will be generated from a new tax or fee, or an increase in the**  
 13 **rate of an existing tax or fee, included as part of the measure, if the measure is enacted.**

14 (2) For a state measure for which an estimate is required to be prepared under subsection (1)  
 15 of this section, the financial estimate committee may also estimate the amount of direct expenditure,  
 16 direct reduction of expenditure, direct reduction in revenues, direct tax revenue or indebtedness and  
 17 interest that will result for the state or any city, county or district if the measure is not enacted.  
 18 The financial estimate committee may make an estimate under this subsection if the Legislative  
 19 Assembly has enacted a law that will apply only if the measure for which the estimate is prepared  
 20 is not enacted.

21 (3) For a state measure for which an estimate is required to be prepared under subsection (1)  
 22 of this section, the financial estimate committee shall consult with the Legislative Revenue Officer  
 23 to determine if the measure has potentially significant indirect economic or fiscal effects. If the  
 24 committee determines that the indirect economic or fiscal effects of the measure are significant and  
 25 can be estimated, the Legislative Revenue Officer shall prepare on behalf of the committee an im-  
 26 partial estimate of the indirect economic or fiscal effects of the measure. The Legislative Revenue  
 27 Officer shall use the best available economic models and data to produce the estimate. The financial  
 28 estimate committee shall incorporate relevant parts of the estimate prepared by the Legislative Re-  
 29 venue Officer into the estimate prepared by the committee under subsection (1) of this section.

30 **(4)(a) For a state measure described in Article IV, section 1 (2)(e), of the Oregon Con-**  
 31 **stitution, the financial estimate committee shall consult with the Legislative Revenue Officer**  
 32 **to determine whether the revenue to be generated from a new tax or fee, or an increase in**  
 33 **the rate of an existing tax or fee, included as part of the measure, is sufficient to cover the**  
 34 **immediate and future costs of measure, if enacted.**

35 **(b) The Legislative Revenue Officer shall prepare on behalf of the financial estimate**  
 36 **committee an impartial estimate of the revenue of the new or increased tax or fee and an**  
 37 **impartial estimate of the economic or fiscal effects of the measure. The Legislative Revenue**  
 38 **Officer shall use the best available economic models and data to produce the estimates. The**  
 39 **estimates of revenue and immediate and future costs may be expressed as a specific amount**  
 40 **or a range of amounts but the estimates must be expressed in the same terms.**

41 **(c) The financial estimate committee may determine that the amount of direct revenue**  
 42 **from the new or increased tax or fee is sufficient to cover the immediate and future costs**  
 43 **of the measure, if enacted, only if:**

44 **(A) The estimated amount of direct revenue from the new or increased tax or fee is equal**  
 45 **to or greater than the estimated amount of the immediate and future costs of the measure,**

1 **if enacted; or**

2 **(B) The lowest amount expressed in the estimated range of the amount of direct revenue**  
 3 **from the new or increased tax or fee is equal to or greater than the highest amount ex-**  
 4 **pressed in the estimated range of the immediate and future costs of the measure, if enacted.**

5 **(d) The financial estimate committee shall incorporate its determination into the esti-**  
 6 **mate prepared by the committee under subsection (1) of this section.**

7 [(4)] (5) Except as provided in subsection [(5)] (6) of this section, the estimates described in  
 8 subsections (1) and (2) of this section shall be printed in the voters' pamphlet and on the ballot. The  
 9 estimates shall be impartial, simple and understandable and shall include the following information:

10 (a) A statement of the amount of financial effect on state or local government expenditures, re-  
 11 venues or indebtedness, expressed as a specific amount or as a range of amounts;

12 (b) A statement of any recurring annual amount of financial effect on state or local government  
 13 expenditures, revenues or indebtedness;

14 (c) A description of the most likely financial effect or effects of the adoption of the measure;  
 15 [and]

16 (d) If an estimate is made under subsection (2) of this section, a description of the most likely  
 17 financial effect or effects if the measure is not enacted[.]; and

18 **(e) In the case of a state measure described in Article IV, section 1 (2)(e) of the Oregon**  
 19 **Constitution, a statement as to whether a new tax or fee, or an increase in the rate of an**  
 20 **existing tax or fee, included as part of the measure, is sufficient to cover the immediate and**  
 21 **future costs of the measure, if enacted.**

22 [(5)] (6) If the financial estimate committee determines that the measure will have no financial  
 23 effect on state or local government expenditures, revenues or indebtedness or that the financial ef-  
 24 fect on state or local government expenditures, revenues or indebtedness will not exceed \$100,000,  
 25 the committee shall prepare and file with the Secretary of State a statement declaring that the  
 26 measure will have no financial effect or that the financial effect will not exceed \$100,000. The  
 27 statement shall be printed in the voters' pamphlet and on the ballot.

28 [(6)] (7) In addition to the estimates described in subsections (1) and (2) of this section, if the  
 29 financial estimate committee considers it necessary, the committee may prepare and file with the  
 30 Secretary of State an impartial, simple and understandable statement explaining the financial effects  
 31 of the measure. The statement may not exceed 500 words. The statement shall be printed in the  
 32 voters' pamphlet with the measure to which it relates.

33 [(7)] (8) The Legislative Administration Committee shall provide any administrative staff assist-  
 34 ance required by the financial estimate committee to facilitate the work of the financial estimate  
 35 committee under this section or ORS 250.127.

36 [(8)] (9) The financial estimate committee is created, consisting of the Secretary of State, the  
 37 State Treasurer, the Director of the Oregon Department of Administrative Services, the Director  
 38 of the Department of Revenue and a representative of a city, county or district with expertise in  
 39 local government finance. The representative of a city, county or district shall be selected by the  
 40 four other members of the financial estimate committee and shall serve for a term of two years that  
 41 begins on March 1 of the odd-numbered year.

42 **SECTION 6.** ORS 250.127 is amended to read:

43 250.127. (1) Not later than the 99th day before a special election held on the date of a primary  
 44 election or any general election at which any state measure is to be submitted to the people, the  
 45 financial estimate committee created under ORS 250.125 shall prepare and electronically file with

1 the Secretary of State the estimates described in ORS 250.125 and, if the committee considers it  
 2 necessary, a statement explaining the financial effects of the measure as described in ORS 250.125  
 3 [(6)] (7). The financial estimate committee may begin preparation of the estimates and statement on  
 4 the date that a petition is accepted for verification of signatures under ORS 250.105 or the date that  
 5 a measure referred by the Legislative Assembly is filed with the Secretary of State, whichever is  
 6 applicable.

7 (2) Not later than the 95th day before the election, the Secretary of State shall hold a hearing  
 8 in Salem upon reasonable statewide notice to receive suggested changes to the estimates or state-  
 9 ment or to receive other information. At the hearing any person may submit suggested changes or  
 10 other information orally or in writing. Written suggestions or other information also may be sub-  
 11 mitted at any time before the hearing.

12 (3) The financial estimate committee shall consider suggestions and any other information sub-  
 13 mitted under subsection (2) of this section, and may file revised estimates or a revised statement  
 14 with the Secretary of State not later than the 90th day before the election.

15 (4) Except as provided in subsection (5) of this section, the original estimates and statement and  
 16 any revised estimates or statement shall be approved by a majority of the members of the financial  
 17 estimate committee. If a member does not concur, the estimates or statement shall show only that  
 18 the member dissents. The Secretary of State shall certify final estimates and a final statement not  
 19 later than the 90th day before the election at which the measure is to be voted upon. All estimates  
 20 and statements prepared under ORS 250.125 and this section shall be made available to the public.

21 (5) If a majority of the members of the financial estimate committee do not approve the esti-  
 22 mates or statement, the Secretary of State alone shall prepare, file and certify the estimates or  
 23 statement not later than the 88th day before the election at which the measure is to be voted upon  
 24 with the data upon which the estimates or statement is based.

25 (6) The support or opposition of any member of the financial estimate committee to the original  
 26 or revised estimates or statement shall be indicated in the minutes of any meeting of the committee.  
 27 Meetings of the financial estimate committee shall be open to the public. Designees of the members  
 28 of the financial estimate committee may attend any meetings of the committee in the place of the  
 29 members, but the designees may not vote to approve or oppose any estimates or statement.

30 (7) A failure to prepare, file or certify estimates or a statement under ORS 250.125, this section  
 31 or ORS 250.131 does not prevent the inclusion of the measure in the voters' pamphlet or placement  
 32 of the measure on the ballot.

33 (8) If the estimates are not delivered to the county clerk by the 61st day before the election, the  
 34 county clerk may proceed with the printing of ballots. The county clerk is not required to reprint  
 35 ballots to include the estimates or to provide supplemental information that includes the estimates.

36 **SECTION 7. Sections 2 and 3 of this 2013 Act and the amendments to ORS 250.035, 250.125**  
 37 **and 250.127 by sections 4 to 6 of this 2013 Act apply to state measures to be initiated that,**  
 38 **if filed with the required number of signatures of electors, will be submitted to the people**  
 39 **at an election held on or after the first Tuesday after the first Monday in November 2016.**

40 **SECTION 8. This 2013 Act does not take effect unless the amendment to the Oregon**  
 41 **Constitution proposed by House Joint Resolution 15 (2013) is approved by the people at the**  
 42 **next regular general election held throughout this state. This 2013 Act takes effect on the**  
 43 **effective date of that constitutional amendment.**