

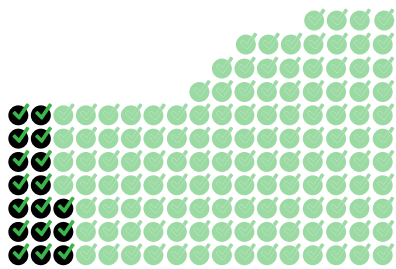
# I-1366 IS BAD FOR WASHINGTON STATE

Tim Eyman is at it again with another misleading initiative. Initiative-1366 is designed to force our state Legislature to pass a constitutional amendment concentrating power in the hands of a small group of lawmakers. If legislators don't do what Eyman wants and pass a constitutional amendment, his initiative will punish all of us by slashing billions of dollars annually from schools, health care, public safety, and other vital community services. This attempt at blackmail will give a small group of legislators the power to overrule the majority in all state revenue and investment decisions. This initiative goes too far and would damage the quality of life of all Washingtonians.

## How I-1366 Creates a No-Win Situation for Washingtonians

### TAKES POWER AWAY FROM 'WE THE PEOPLE'

I-1366 has the potential to put even more power in the hands of corporate lobbyists and anti-democratic extremists. The initiative would:



Permanently give just 17 senators out of 147 legislators veto power over all tax and budget decisions<sup>1</sup>



Make it impossible to eliminate wasteful corporate tax breaks

**I-1366 will be a huge waste of taxpayer time & resources.**

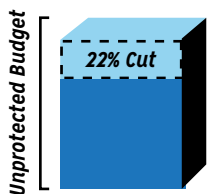
Like most of Eyman's other flawed initiatives, I-1366 is so bad and poorly structured that it will almost certainly be struck down as unconstitutional:

*"THERE IS A SUBSTANTIAL POSSIBILITY THAT I-1366 WILL BE FOUND TO BE INVALID FOR EXCEEDING THE SCOPE OF THE INITIATIVE PROCESS, AND THAT VOTERS WILL BE VOTING ON A MEASURE WHICH WILL NEVER GO INTO EFFECT."*

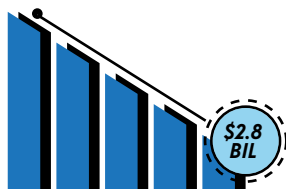
**- Judge Dean Lum,**  
King County Superior Court<sup>2</sup>

### THREATENS BIG CUTS TO INVESTMENTS WASHINGTONIANS RELY ON

Under I-1366, if lawmakers refuse to bow to Eyman's power grab, sales tax revenues would automatically be reduced by billions of dollars in the coming years.



A 22% cut to the unprotected portion of the state budget



Reduce sales tax revenues by \$2.8 billion per two-year budget cycle<sup>3</sup>

#### WHAT'S AT STAKE

Given areas of the budget most vulnerable to cuts, \$2.8 billion in lost revenue could lead to:



Deep cuts to public safety



Fewer mental health services



Tuition increases

and much more...

Turn Over

# MAKES IT IMPOSSIBLE TO BUILD A BETTER EDUCATION SYSTEM FOR OUR KIDS

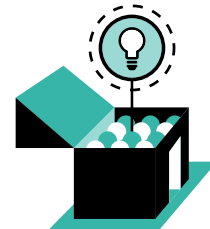
The State Supreme Court has ordered the Legislature to invest billions of additional dollars in schools in Washington state to help our kids compete in the 21st century economy.<sup>5,6</sup> I-1366 would make it impossible to raise the additional resources needed to do so. That could mean:



A lack of resources to retain and recruit high-quality teachers



Dilapidated, unsafe schools and education facilities



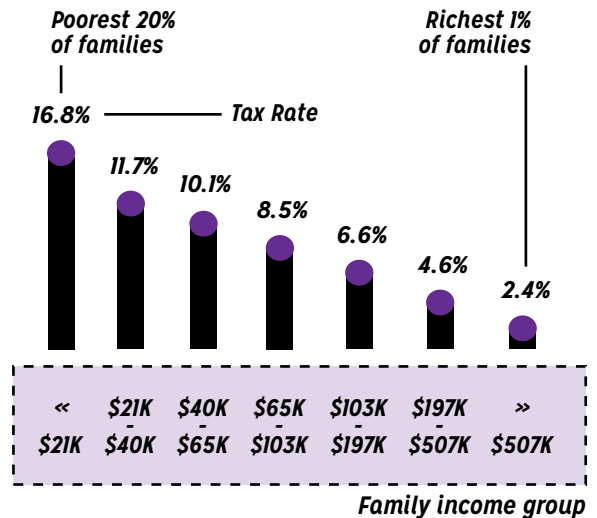
More overcrowded classrooms

# MAKES IT IMPOSSIBLE TO BUILD AN EQUITABLE TAX SYSTEM

Washington has the most upside-down state and local tax system in the nation. Families with lower incomes pay a much higher share of their incomes in taxes than higher-income households. By placing the power over state tax decisions in the hands of a small group of political extremists, I-1366 would make it even easier for corporate lobbyists to sabotage any attempt to create a more equitable state tax system.

## WEALTHIEST FAMILIES PAY SMALLEST SHARE OF THEIR INCOME IN TAXES<sup>7</sup>

Washington state and local taxes as a share of family income by income group in 2015



### ENDNOTES:

1. I-1366 would require lawmakers to pass and refer to voters a constitutional amendment mandating a two-thirds "supermajority" vote in both houses of the state Legislature, or a vote of the people, to raise any tax. In the state Senate, that means any tax increase would have to be approved by 32 of the 49-member chamber. In the state House of Representatives, 66 of 98 Representatives would be required. 2. Huff v. Wyman, No. 15-2-18335-4 SEA (2015). 3. Under I-1366, the state sales tax rate would automatically be reduced by one percentage point to 5.5 percent from 6.5 percent if lawmakers fail to pass the supermajority constitutional amendment by April 15, 2016. The Washington State Office of Financial Management estimates this would reduce revenues by about \$8 billion over the next six fiscal years, or about \$1.4 billion per year. [http://www.ofm.wa.gov/ballot/2015/I-1366\\_Fiscal\\_Impact\\_Statement.pdf](http://www.ofm.wa.gov/ballot/2015/I-1366_Fiscal_Impact_Statement.pdf) 4. Approximately two-thirds of the general fund budget is protected by federal laws, state constitutional restrictions, and other provisions, making it very difficult for lawmakers to cut these investments. (See [http://www.ofm.wa.gov/budget/documents/State\\_budget\\_prelim\\_outlook\\_pres\\_2014.pdf](http://www.ofm.wa.gov/budget/documents/State_budget_prelim_outlook_pres_2014.pdf), slide 11.) The remaining one-third of the budget – about \$13 billion in the current 2015-17 budget cycle – is not protected by these provisions and would likely be the first areas to be cut if I-1366's sales tax reduction were to go into effect. This area of the budget includes all funding for higher education, environmental protections, public safety, and more. 5. McCleary v. State, No. 07-2-02323-2 SEA (2012) 6. Kim Justice, Michael Mitchell, Andy Nicholas, and Lori Pfingst, "A Paramount Duty: Funding Education for McCleary and Beyond," Washington State Budget & Policy Center, 2013, [http://budgetandpolicy.org/reports/a-paramount-duty-funding-education-for-mccleary-and-beyond/pdf\\_version](http://budgetandpolicy.org/reports/a-paramount-duty-funding-education-for-mccleary-and-beyond/pdf_version) 7. The Institute on Taxation and Economic Policy, "Who Pays? A Distributional Analysis of the Tax Systems in All Fifty States," fifth edition, January 2015, <http://www.itiep.org/whopays/>