



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

Insurance Building, PO Box 43113 | Olympia, Washington 98504-3113 | (360) 902-0555

Fiscal Impact Statement for Referendum 71

As sent to the Office of the Secretary of State, September 1, 2009

FISCAL IMPACT THROUGH FISCAL YEAR 2015

Referendum 71 would enact legislation, E2SSB 5688, that expands the rights, responsibilities and benefits of registered domestic partners. Referendum 71 would increase state costs by paying for additional worker compensation and crime victim claims benefits; additional state employee pension survivor benefits; and other administrative expenses. Costs are estimated at \$900,000 for fiscal years 2009–11, \$1.5 million for fiscal years 2011–13 and \$1.6 million for fiscal years 2013–15. State revenue from estate taxes estimated at \$260,000 would be reduced in fiscal years 2013–15, while \$7,000 in annual fee revenue would be gained.

GENERAL ASSUMPTIONS

- Estimates are based on information provided by state agencies during the 2009 legislative session for Engrossed Second Substitute Senate Bill (E2SSB) 5688.
- Estimates are based on early 2009 data of the number of registered domestic partnerships. There are approximately 5,000 registered domestic partnerships with the Secretary of State. Of that number, 1,500 of those individuals were older than 62, and therefore, could be registered in same-sex or opposite-sex domestic partnerships.
- Estimates include costs that were funded in the state budget as well as costs that state agencies were expected to absorb.
- Estimates exclude approximately \$15,000 in costs incurred to implement E2SSB 5688 before August 1, 2009.

STATE COST ESTIMATE - ASSUMPTIONS

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

- \$1.1 million - Additional worker 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.

Referendum 71 would extend 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 E2SSB 5688 are excluded from this estimate.

STATE REVENUE ESTIMATE – ASSUMPTIONS

E2SSB 5688 would allow a registered domestic partner to take a marital deduction, which reduces the taxable estate subject to state estate taxes. Referendum 71 would retain domestic partner eligibility for the deduction, resulting in an estimated \$260,000 reduction in revenue in fiscal years 2013–15.

E2SSB 5688 authorizes the Secretary of State to record changes to registered domestic partnerships in the event of a change in address, name change, dissolution or death. There is a \$10 fee for change filings. Referendum 71 would retain this authority, resulting in an estimated \$7,000 gain in fee revenue each year.

COUNTY AND CITY COST ESTIMATE - ASSUMPTIONS

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

Office of Financial Management
Sept. 1, 2009