Overview

Voters in six states considered 31 ballot measures in the recent 2013 general election. Since this is an off year for elections, the number was significantly reduced from the 174 measures on last year’s ballots.

In Colorado, voters approved the measure to tax the recreational sale of marijuana that was legalized last year in the state but did not approve the measure to increase taxes more broadly to add additional funds of approximately $950 million in the first year for education. In New York, voters approved the measure to authorize casinos and in New Jersey, voters approved the increase in the minimum wage. Texas voters approved the transfer of funds from the state’s rainy day fund to finance water projects. In Maine, voters approved five measures to authorize bonds of approximately $150 million to finance projects such as transportation and education. Washington State’s voters approved the five advisory votes on the ballot that are non-binding; under a previous initiative, any action by the legislature that raises new taxes, expands existing taxes, or eliminates a tax break is subject to notice with voters.

The following are the outcome of some notable ballot measures in the recent 2013 general election affecting state finances. When available, the fiscal impact is included in the description.

Taxes

Colorado Amendment 66—Did not pass
This measure would have raised the state income tax rate and deposited the additional tax revenue in a separate fund to pay for public education. If passed, this measure would have implemented legislation by the state legislature to create a new formula for allocating state and local funding to school districts, would have repealed the constitutional requirement that base per pupil funding for public education increase by at least the rate of inflation annually, and would have required that at least 43 percent of state income, sales, and excise tax revenue, collected at existing tax rates, be set aside annually to pay for public education. The amount of revenue raised would have been approximately $950 million in the first year.

Colorado Proposition AA—Passed
This measure imposes a 15 percent excise tax on the average wholesale price of retail marijuana in the state to fund school construction. The measure also imposes a 10 percent sales tax on recreational marijuana in addition to Colorado’s standard 2.9 percent state sales tax and any local sales taxes that may apply. Any revenues that result from the 10 percent sales tax portion of Proposition AA will be used to regulate and monitor the marijuana retail business. Estimates are that Proposition AA will result in approximately $70 million a year in additional revenue to the state government with $40 million of that total used to fund public school capital construction. The imposition of taxes from Proposition AA taxes will not apply to the sale of medical marijuana.

Washington: Advisory Votes 3 Through 7—Passed
These measures are non-binding advisory votes that seek the opinion of voters on actions taken by the legislature. These advisory votes address such issues as an aircraft excise tax on commuter air carriers, the extension of the insurance premium tax to some pediatric oral services, the elimination of a retail sales tax exemption for certain telephone and telecommunications services, and the extension of an estate tax on certain property transfers. The authority for advisory votes stems from Initiative 960, which requires advisory votes be placed on the ballot any time the legislature raises new taxes, expands existing taxes or eliminates tax breaks. While the requirement under Initiative 960 in 2007 was for a supermajority vote for tax legislation, this provision was ruled as unconstitutional by the Washington Supreme Court in 2013.
Gaming

New York Proposal One — Passed
This constitutional amendment will allow the legislature to authorize and regulate up to seven casinos for the legislated purposes of promoting job growth, increasing aid to schools, and permitting local governments to lower property taxes through revenues generated.

Minimum Wage

New Jersey Public Question 2 — Passed
This measure amends the state’s constitution to set the state’s minimum wage at a rate of $8.25 per hour, up from the current level of $7.25, and provide for annual increases. It also will require the state to increase its own minimum if the federal minimum wage that is currently $7.25 per hour ever exceeds the state’s minimum wage.

Funding Water Projects from Rainy Day Fund

Texas Proposition Six — Passed
This measure authorizes the use of about $2 billion from the state’s rainy day fund to pay for water infrastructure projects. The constitutional amendment provides for the creation of the State Water Implementation Fund and the State Water Implementation Revenue Fund to assist in the financing of priority projects to ensure the availability of adequate water resources.

Bond Measures

Maine Questions 1 through 5 — Passed
These measures provide authority to issue bonds of $14 million for Maine Army National Guard Readiness Centers, $15.5 million for the University of Maine, $100 million for transportation projects, $4.5 million for the Maine Maritime Academy, and $15.5 million for the Maine Community College.