

General Election Ballot Guide

2016

THE TAXPAYER'S PERSPECTIVE

Even as the country is focused on who will occupy the White House and who will control Congress in 2017, taxpayers should also take note of important ballot initiatives, referenda, and constitutional amendments on election slates. These proposals may not have as high a profile as news about Hillary Clinton or Donald Trump, but they will certainly have a profound impact on the lives and finances of our nation's citizens.

National Taxpayers Union's (NTU) 2016 Ballot Guide concentrates on statewide questions, but there are a number of important local measures affecting taxpayers' wallets and the size of government. Some of the most prominent proposals are explored here.

At the state level, residents of Maine are considering the Minimum Wage Increase Initiative, which would raise their state's minimum wage to \$12 an hour by 2020. Passage of such laws will result in fewer opportunities for many citizens seeking to enter the workforce. Arizona, Colorado, and Washington voters, as well as citizens in several localities elsewhere, will be deciding on other policies to mandate higher wages. South Dakotans will have the chance to make wage laws more flexible in their state.

In Colorado, voters are considering a massive expansion in the state government's role in health care. On November 8th, voters will decide whether to approve Amendment 69, which would create a government-run health care scheme (ColoradoCare) aiming to cover all residents. The amendment includes a \$25 billion tax increase that would apply to nearly all forms of income and affect virtually all residents of the Centennial State. This would nearly double the state's budget and make Colorado one of the most highly taxed states in the country. In another health care-related development, Californians will vote on the controversial Proposition 61, whose price controls on prescription drugs could actually

backfire and cost taxpayers more of their money while limiting access to medicines.

Other trends of interest to taxpayers on ballots across the country include:

Tobacco tax increases are on ballots in California, Colorado, Missouri, and North Dakota. A study from NTU's research affiliate concluded that such tax hikes often prove counterproductive and lead to unstable revenues; between 2008 and 2013, only two out of 40 revenue actions that raised the tobacco tax were followed by cuts in other taxes, and from 2001 to 2011, just 29 of the 101 tobacco tax increases in that time met or exceeded revenue projections.

- Proposals to legalize marijuana, which will involve millions of voters this year, also impose many new taxes, often at rates well out of proportion to taxes on other products.
- Local tax hikes on so-called "sugary" drinks will appear before voters in Oakland and San Francisco, CA and Boulder, CO. In previous elections these proposals have fared unevenly, but lately local governments (such as Philadelphia) have enacted them without allowing the voters to directly decide.
- Regional referenda in the Los Angeles, Atlanta, and Detroit areas would boost a variety of taxes for transportation projects, many dedicated to inefficient rail-based mass transit.
- Energy issues before voters range from allowing more choice and competition for power sources (Florida and Nevada), local anti-"fracking" schemes, to a complex "carbon tax" (Washington).

- Extensions of a massive income tax hike in California, plus major new taxes on businesses (Oregon) and upper-income individuals (Maine) will challenge notions of "tax fairness."

One of the few clear-cut limits on government fiscal powers has been placed by citizens on California's ballot: Proposition 53 would strengthen and safeguard the people's right to vote on major revenue-bond projects.

Although NTU's research team took great care to identify important taxpayer measures across the country, it is impossible to ensure every state and municipality's election slate is presented here. Taxpayers are strongly encouraged to check with their local election authorities for more information.

Finally NTU would like to thank Ballotpedia for their efforts in identifying and tracking ballot measures, many of which appear in our analysis.

GUIDE KEY:

The various measures, propositions, initiatives, referenda, proposals, and amendments are listed by state.

Measures that could lower taxes, reduce spending, or restrain government growth are listed with a plus sign (+), while measures that could raise taxes, increase spending, or expand government are listed with a minus sign (-). Measures that are revenue neutral or have an unclear or mixed fiscal impact are denoted with the following symbol (●).

This guide is for informational purposes only; it is not intended to provide endorsements or recommendations to voters.

Note: All measures will be decided on Tuesday, November 8, 2016, unless otherwise noted.



ALABAMA

Statewide Measures

- (●) **STATE PARKS FUND AMENDMENT, AMENDMENT 2**, if passed, would ensure that funding for state parks would not be able to be reallocated to other parts of the state government. This amendment was placed on the ballot due to park closures after \$15 million was reallocated to the general fund. This measure could have mixed impacts on budget policy. On one hand, entrance and other charges have funded most of the parks' budget; user fees connected to a specific purpose are commensurate with and apply to the cost of providing a service. On the other hand, some limited general revenues have funded parks in the past, and policy makers should have the flexibility to allocate those types of resources to priorities so as to avoid budget gaps and minimize the pressure for higher taxes. The outcome of this measure could be positive, but only if public officials commit to funding parks solely through user fees.
- (+) **"RIGHT TO WORK" AMENDMENT, AMENDMENT 8**, if passed, would ensure that a person will not be denied employment based on membership or non-membership in a union. This would ensure that employees would be able to work without being forced to join a union if they are hired by an employer whose workers are unionized. A 2011 [study](#) by prominent economist and NTU board member Dr. Richard Vedder found a strong positive relationship between economic growth in a state and the presence of a right to work law.



ALASKA

Statewide Measures

- (-) **STATE GOVERNMENT DEBT FOR POSTSECONDARY STUDENT LOANS, MEASURE 2**, if approved, would change the state constitution so that the state could take on debt for the purposes of providing post-secondary student loans. More specifically it would add the underlined portion to the state's constitution: "No state debt shall be contracted unless authorized by law for capital improvements, unless authorized by law for postsecondary student loans, or unless authorized by law for housing loans for veterans and ratified by a majority of the qualified voters of the State who vote on the question." The amendment allows for the state government to borrow money on another endeavor, which could lead to an increase in spending and future taxes. A recent New York Federal Reserve Bank [study](#) found that tuition at the nation's colleges and universities has skyrocketed in recent years due to the increased availability and generosity of government subsidized student loans.



ARIZONA

Statewide Measures

- (-) **MARIJUANA LEGALIZATION, PROPOSITION 205**, would, if approved by the voters, legalize marijuana for individuals twenty-one years of age and older. In addition, the Proposition would levy a 15 percent tax on retail sales, the revenue from which would be allocated to public health and education as well as the creation of licensing and regulatory regime. While NTU does not take a position on the legalization of marijuana, the proposition does not offer a clear rationale for setting the tax rate at such a high level (for example, directly offsetting administration and enforcement costs or approximating the tax rate on other products).

- (-) **MINIMUM WAGE AND PAID TIME OFF, PROPOSITION 206**, would incrementally raise the state's minimum wage to \$12 per hour by 2020 and create a right to paid sick time off. By artificially raising the cost of employment, labor restrictions like Proposition 206 would lead to weaker employment and slower economic growth in the Grand Canyon State.



ARKANSAS

Statewide Measures

- (-) **REMOVAL OF CAP ON BONDS AMENDMENT, ISSUE 3**, if approved, would remove the 5 percent cap of general state revenue that the state constitution places on bonds for the purpose of financing economic development projects. The removal of this cap allows the state to have more borrowing capacity for these projects. This increased borrowing would lead to be more debt and higher taxes in the future.



CALIFORNIA

Statewide Measures

- (-) **PUBLIC EDUCATION FACILITIES BOND INITIATIVE, PROPOSITION 51**, would authorize the state to issue \$9 billion in bonds to fund improvements and construction of K-12 facilities and community colleges. The \$9 billion in bonds essentially amounts to a tax increase due to interest and principal that must be paid out to retire the bonds.
- (+) **PUBLIC VOTE ON BONDS INITIATIVE, PROPOSITION 53**, would require voter approval before the state could issue more than \$2 billion in public infrastructure bonds that would necessitate an increase in taxes. The measure acts as a check on the state legislature from issuing bonds, which amount to future taxes. The Howard Jarvis Taxpayers Association supports this measure.
- (-) **TAX EXTENSION TO FUND EDUCATION AND HEALTH CARE INITIATIVE, PROPOSITION 55**, would extend the income tax hikes approved in 2012 on incomes over \$250,000 per year. If rejected by voters, the 2012 tax hike will begin to phase out in 2018. The tax currently raises around \$6 billion a year, of which about 90 percent goes to K-12 education and about 10 percent goes to community colleges. Extending the tax will lead to lower employment and bigger government.
- (-) **HEALTH CARE, RESEARCH, AND PREVENTION TOBACCO TAX AMENDMENT, PROPOSITION 56**, would raise the state's cigarette tax by \$2 per pack with equivalent taxes on other related products, including vapor products. Opponents cite numerous problems with this proposal. For starters, cigarette taxes and other tobacco taxes are highly regressive. In addition, if California raised the tax by \$2, its neighboring states would have much lower tobacco taxes. This creates a strong incentive for black market purchases or for cross-border sales of tobacco products. Furthermore, cigarette taxes usually lead to far less revenue than proponents project. Finally, by applying the proposed tax to much safer vapor products that many Californians use to quit smoking, the state would be standing in the way of further harm reduction.

- (-) **OVERTURN OF CITIZENS UNITED ACT ADVISORY QUESTION, PROPOSITION 59**, would signal to elected officials in California that residents wish to overturn the United States Supreme Court’s decision in *Citizens United v. Federal Election Commission*, which held that people joining together to form a corporation do not lose First Amendment protections. Although the result of this initiative has no effect on the law of the land, it does encourage the state government of California to take actions that would jeopardize First Amendment guarantees.

- (-) **DRUG PRICE RELIEF INITIATIVE, PROPOSITION 61**, would prohibit state agencies from paying more for a prescription drug than the lowest price paid by the United States Department of Veterans Affairs for the same prescription drug. Proposition 61, essentially price controls for pharmaceuticals, is according to some patient advocates, veterans groups, and other opponents a bad deal for the Golden State. It could lead to shortages of drugs by invalidating existing drug discount agreements, which could also lead to higher drug costs for the state. Next, allowing the government to set private sector price controls is a bad precedent for other industries. Likewise, price caps on pharmaceuticals will limit further research and development of drugs that improve the lives of citizens. Finally, although proponents argue the Proposition would lower costs for the state, the opposite is true. As the [California Legislative Analyst’s Office determined](#), this Proposition would result in a substantial increase in government spending.

- (-) **MARIJUANA LEGALIZATION INITIATIVE, PROPOSITION 64**, would legalize marijuana and hemp, and institute a 15 percent sales tax and a \$9.25 per ounce cultivation tax for plants and \$2.75 per ounce cultivation tax for marijuana leaves. While NTU takes no position on legalization of marijuana, the measure does not offer a clear rationale for setting the tax rate at such a high level (for example, directly offsetting administration and enforcement costs or approximating the tax rate on other products).

- (●) **CARRY-OUT BAG REVENUE INITIATIVE, PROPOSITION 65**, would redirect money collected by grocers and other retailers through the sale of carry-out bags, whenever any state law prohibits the free distribution of plastic carry-out bags. The proposition would require stores to send the bag sale proceeds into a conservation fund, which would then be used for environmental projects like litter clean up and drought relief. This measure could have mixed impacts on public policy. Though NTU opposes ill-conceived bag taxes, restricting their distribution could increase accountability and somewhat lessen the likelihood that bag charges will increase in the future to serve as a “slush fund” for various government purposes. Ultimately, the burden should be on backers of the bag fee to demonstrate that it serves a necessary purpose.

- (-) **PLASTIC BAG BAN REFERENDUM, PROPOSITION 67**, would uphold Senate Bill 270, which banned the use of plastic non-reusable bags in grocery stores and pharmacies. The measure would force consumers to purchase reusable bags or bring their own plastic bags from home. The Proposition would have the effect of limiting consumers’ options and permitting the government to get involved in the simple act of carrying groceries. The ban also causes a wider use of reusable bags, which can be unsanitary. In fact, a 2011 study published in *Food Protection Trends* “found coliform bacteria in fully half of the reusable shopping bags tested in a random survey of shoppers in Arizona and California.”

Local Measures

Los Angeles County

- (-) **“BUILD A BETTER LA” AFFORDABLE HOUSING AND DEVELOPMENT INITIATIVE**, if enacted, would require new residential development projects with ten or more units to set aside a certain number of units for low-income housing or pay a fee to fund affordable housing projects. Contractors would also have to pay market wages and meet other hiring requirements. While affordable housing may be a laudable public policy goal, these types of restrictions will raise the costs of projects and undermine the purposes for which the policy was enacted.

- (-) **THE TRAFFIC IMPROVEMENT PLAN, MEASURE M**, would raise the sales tax by one-half percentage point in 2017, increasing to one percent in 2037, to expand the county’s transportation system. If approved, the measure would generate approximately \$860 million annually over the next 40 years. California has a bad habit of diverting transportation dollars to other projects. Rather than prioritizing transportation spending with existing dollars, Measure M would raise regressive taxes and make the county less competitive.

Monterey County

- (-) **FRACKING BAN, MEASURE Z**, would outlaw hydraulic fracturing and other “high-intensity” oil extraction methods in the county. With the passage of Senate Bill 4 in 2013, California established itself as having one of the most stringent regulatory regimes for hydraulic fracturing in the entire country. Measure Z would slow economic growth and lead to fewer job opportunities for residents.

Oakland

- (-) **SUGAR SWEETENED BEVERAGE TAX, MEASURE HH**, would institute a one cent per ounce tax (for an effective rate of 25 percent or more) on the distribution of sugar-sweetened beverages in the city of Oakland. The tax would apply to soda, sports drinks and energy drinks. Proponents of the measure estimate it will bring in up to \$12 million annually, which would be deposited into the city’s general fund. This regressive tax would be passed along to consumers of these products, leading to higher bills at the grocery store and restaurants, as well as bigger government.

- (-) **UNIFIED SCHOOL DISTRICT PARCEL TAX, MEASURE G1**, would, if supported by Oakland voters, impose a \$120 per parcel tax on property for 12 years to fund teacher salary increases and expand middle school arts and music curricula. This tax hike would make already high property taxes even worse for average families.

- (-) **TRANSIT PARCEL TAX EXTENSION, MEASURE C1**, would extend the city’s existing \$96 per parcel tax first supported by voters in 2002, which is set to expire in 2018. Measure C1 would extend the tax for another 20 years. Coupled with Measure G1, this proposal would significantly harm homeowners in the area.

San Diego

- (-) **THE CHARGERS’ STADIUM PLAN, MEASURE C**, would raise the hotel room tax from an effective rate of 12.5 percent to 16.5 percent in order to fund construction of a joint football stadium and convention center in downtown San Diego. If approved, San Diego’s booming tourism industry would take a hit and the city would become less competitive. *Note:* Thanks to taxpayer protections enacted two decades ago, this measure requires two-thirds support for enactment.

- (-) **THE CITIZENS' PLAN, MEASURE D**, would raise the city's marginal hotel room tax by 5 percent. The revenue generated by the tax increase would be used for the city's general fund. Like Measure C, Measure D would hamper the city's tourism industry. *Note:* Proponents argue the measure only needs a simple majority to be implemented. The city attorney, on the other hand, suggests it needs two-thirds support. A simple majority that falls short of two-thirds would likely be resolved through litigation.
- (-) **TAX LEVY ON MARIJUANA DISPENSARIES, MEASURE N**, if enacted, would establish a tax on sellers of marijuana for recreational purposes if the Golden State legalizes recreational marijuana this fall. Proposition 64 is on the statewide ballot, and if enacted, would legalize marijuana and hemp and institute a 15 percent sales tax and a \$9.25 per ounce cultivation tax for plants and \$2.75 per ounce cultivation tax for marijuana leaves. While NTU takes no position on legalization of marijuana, the measure does not offer a clear rationale for setting the tax rate at such a high level (for example, directly offsetting administration and enforcement costs or approximating the tax rate on other products).

San Diego County

- (-) **SALES TAX INCREASE FOR TRANSPORTATION, MEASURE A**, would raise the county's sales tax by one-half of a percentage point in order to help fund \$18 billion worth of infrastructure and environmental initiatives. While some of these projects could be worthwhile, raising a regressive tax will harm those least able to afford to pay more in taxes while simultaneously making the business climate in the county less competitive.

San Francisco

- (-) **SUGAR SWEETENED BEVERAGE TAX, PROPOSITION V**, if enacted, would institute a one cent per ounce tax on the distribution of sugar-sweetened beverages in the city of San Francisco. The tax would apply to soda, sports drinks, and energy drinks. Like the soda taxes being considered in Oakland and Boulder, Colorado, this regressive tax would be passed along to consumers of these products, leading to higher bills at the grocery store and restaurants as well as a larger, more expansive government.



Statewide Measures

- (-) **STATE HEALTH CARE SYSTEM, AMENDMENT 69**, would create a state health care system, ColoradoCare, that aims to cover all residents by contracting with health care providers and administering the state's Medicaid program, basic children's health care programs, and other state and federal health care funds. The measure would be financed through a \$25 billion tax increase, applying to nearly all sources of income. The system would also be exempt from the Colorado Taxpayers Bill of Rights. The amendment would nearly double the state's budget and tax rate. This tax hike would be devastating for the private economy and significantly grow the size of state government.
- (-) **\$12 MINIMUM WAGE AMENDMENT**, if approved, would raise the state's minimum wage from \$8.31 per hour to \$12 per hour by 2020. The Amendment would phase in the increase by 90 cents every year until it reached \$12 per hour. This would lead to fewer employment opportunities and less economic growth in the state.

- (+) **EXEMPT CERTAIN POSSESSORY INTERESTS FROM PROPERTY TAXES, AMENDMENT U**, would, if approved by voters, create a tax exemption for up to \$6,000 or less annually for a possessory interest leasing government land or other property. If enacted, Amendment U would be a tax cut for businesses and individuals in Colorado.

- (-) **TOBACCO TAX MEASURE, AMENDMENT 72**, if approved, would significantly raise taxes on tobacco products in the Golden State. The current cigarette tax in the state is 84 cents per pack; under this Measure, the rate would increase by \$1.75 per pack to \$2.59. This is a staggering 208 percent increase. This poorly drafted Measure would also raise taxes by 55 percent on cigars, pipe tobacco, smokeless and chewing tobacco. While the Measure does not add taxes to vapor products, it is still enormously problematic. Tobacco taxes are highly regressive – affecting those least able to afford them. Furthermore, if passed, Colorado would have drastically higher tobacco taxes than all of its neighboring states, which creates a strong incentive for smuggling, black market, and cross-border purchases. Additionally, tobacco taxes usually generate far less revenue than proponents initially project. Finally, the Measure would lock in a massive and unaccountable spending increase into the state's constitution—funding programs that have not yet been created.

Local Measures

Boulder

- (-) **SUGAR-SWEETENED BEVERAGE TAX, MEASURE 2H**, would, if supported by voters, institute a two cents per ounce tax on the distribution of sugar-sweetened beverages in the city of Boulder. It is estimated this tax would raise about \$4 million annually. This massive tax proposal would be passed along to consumers at the grocery store and restaurants. A 12-pack of the affected product would carry a tax of \$2.88; depending upon the underlying price of the product, this could easily amount to an effective tax rate of 50 percent or more.



Statewide Measures

- (+) **RIGHT TO SOLAR ENERGY CHOICE INITIATIVE, AMENDMENT 1**, would allow residents to own or rent solar power technologies. This measure would empower consumers to decide for themselves which home-based options for electricity suit them, and would even permit them to sell energy back to the grid in times of excess production.
- (+) **TAX EXEMPTIONS FOR FIRST RESPONDERS MEASURE, AMENDMENT 3**, would provide fully disabled first responders with an exemption from property taxes. This measure serves as a tax decrease for disabled public servants.
- (+) **PROPERTY TAX BREAKS FOR SENIOR CITIZENS MEASURE, AMENDMENT 5**, would, if approved, provide a tax break for those over the age of 65 who have lived in their home for at least 25 years if their home is currently valued at less than \$250,000. This exemption would remain in place even if the home's value exceeded this amount in the future. The tax break would also apply to disabled veterans or first responders, as well as surviving spouses for those that died in the line of duty.



GEORGIA

Local Measures

Atlanta

- (-) **SPECIAL PURPOSE LOCAL OPTION SALES AND USE TAX REFERENDUM**, if enacted, would raise the city’s sales tax by 0.4 percentage points in order to fund improvements to Atlanta’s beltline. It is estimated that this tax increase would raise \$380 million over the next five years. Like all sales taxes, this proposed hike is regressive – hurting those struggling to make ends meet. Likewise, the sales tax hike will drive shoppers into neighboring counties and cities, making Atlanta less competitive.
- (-) **METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY SALES AND USE TAX REFERENDUM**, would, if supported by voters, increase Atlanta’s sales tax by 0.5 percentage points in order to expand and upgrade the city’s light rail system, MARTA. It is estimated that this sales tax hike would generate approximately \$2.5 billion over the next 40 years. Residents of Atlanta already pay a one percent MARTA sales tax. Coupled with the Special Purpose Local Option Sales and Use Tax Referendum (above), this sales tax is regressive and would make Atlanta less competitive relative to its neighboring municipalities by raising the city’s sales tax from 8 percent currently to 8.9 percent if both pass. As the Georgia Public Policy Foundation has noted, ride-sharing and bus services could be wiser investments for moving people than many proposed rail projects in Atlanta.

Fulton County

- (-) **TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES AND USE TAX**, would, if enacted, increase the sales tax by 0.75 percentage points in Fulton County to fund road and transportation improvements. This ballot measure will only apply to the areas of Fulton County that fall outside the city limits of Atlanta and, if enacted, would fund efforts to alleviate traffic congestion there. It is estimated this measure would raise \$600 million over five years. Funds would be barred from going to subsidize public transportation. If enacted, the regressive sales tax would hit particularly hard those who can least afford to pay it and lead to larger, more expansive government.



HAWAII

Statewide Measures

- (●) **DISPOSITION OF EXCESS REVENUES AMENDMENT**, if approved, would allow excess general fund revenue to be used to pre-pay general obligation bonds and pensions accrued by state employees. Given the massive unfunded liabilities of public pensions across the country, including Hawaii’s, proposals such as this can be a positive for taxpayers. Giving elected officials a choice in meeting obligations is a wise decision, but should not be used to avoid making structural changes to unaffordable pension systems.



ILLINOIS

Statewide Measures

- (●) **TRANSPORTATION FUNDS AMENDMENT**, if approved, would require that all transportation funds must be used for their stated purpose. This measure could have mixed impacts on fiscal policy. On the one hand, taxes designated as transportation-related should be connected to and commensurate with the cost of providing the service; and the government could be deterred from spending money on other wasteful projects. On the other hand, not all transportation money is properly spent in the first place and politicians should not be tempted to regard all projects as sacrosanct because money has been set aside for them. The outcome of this measure could be positive if it leads to more oversight, stable or lower tax rates, and better prioritization.



LOUISIANA

Statewide Measures

- (●) **REMOVAL OF FEDERAL INCOME TAX DEDUCTION FROM STATE CORPORATE INCOME TAX CALCULATION, AMENDMENT 3**, would amend the Pelican State’s constitution to prohibit using federal taxes paid to reduce state corporate taxes. Louisiana is one of only a few states that allows state deductibility for federal taxes paid. This measure would help simplify the tax code; however, on its own it would increase taxes paid by Louisiana businesses. At the same time, the Louisiana State Legislature passed legislation that would lower the state’s corporate income tax rate from a graduated 8 percent rate to a flat 6.5 percent rate, if Amendment 3 passes. The net fiscal impact is unclear.
- (+) **PROPERTY TAX EXEMPTIONS FOR WIDOWED SPOUSES OF FIRST RESPONDERS AND MILITARY PERSONNEL, AMENDMENT 4**, would allow surviving spouses of first responders and members of the military killed while performing their duties to receive an exemption from ad valorem property tax for the value of their homestead.
- (●) **TRANSPORTATION FUND AND REVENUE ALLOCATION, AMENDMENT 5**, would, if enacted, establish a trust fund to be used for transportation and other infrastructure projects. If passed, taxpayers should be vigilant in ensuring these resources are properly used and do not become “slush funds” to support overspending or pay for non-essential items.
- (+) **USE OF RESTRICTED FUNDS TO ELIMINATE FUTURE DEFICITS UPON PROJECTED REVENUE REDUCTION, AMENDMENT 6**, would allow the state government to use up to five percent of the current fiscal year’s appropriations – or up to one percent of the current year’s constitutionally established funds – to eliminate projected deficits the following fiscal year. Over the last decade, the Pelican State has been an example of fiscal folly. At the same time, the decline in oil prices has caused problems for the state’s budget. This measure would help smooth out serious variations in revenues, but it should not be used to continue to prop up an otherwise unsustainable and bloated state government.



Statewide Measures

- (-) **LEGALIZE MARIJUANA INITIATIVE, QUESTION 1**, if approved, would legalize, regulate and tax marijuana (at 10 percent) as an agricultural product. Although NTU takes no position on the legalization of marijuana, the measure does not offer a clear rationale for setting the tax rate at this level (for example, directly offsetting administration and enforcement costs or approximating the tax rate on other products).
- (-) **PUBLIC EDUCATION SURCHARGE INITIATIVE, QUESTION 2**, if approved, would establish a three percent surcharge on income over \$200,000. This would push the state’s top tax rate past 10 percent, making it among the highest in the nation. The measure would be earmarked to finance Maine’s public schools and would amount to a tax increase of \$157 million a year. This tax would make the state a less competitive place in which to do business.
- (-) **MINIMUM WAGE INCREASE INITIATIVE, QUESTION 4**, if approved, would raise the minimum wage to \$12 an hour by the year 2020. This increase in the minimum wage would result in higher prices for consumers, fewer entry level positions, and an increase in unemployment.
- (-) **TRANSPORTATION BOND, QUESTION 6**, if approved, would allow the state government to issue \$100 million worth of bonds to fund transportation projects. These bonds are a way to secure matching funding from the federal government. Approval of the borrowing would amount to a tax due to the principal and interest that must be paid back to retire the debt in the future.



Statewide Measures

- (●) **MARIJUANA LEGALIZATION, QUESTION 4**, would, if enacted, legalize recreational use of marijuana and subject sales of the drug to a 3.75 percent excise tax. Local governments would be given the power to levy an additional 2 percent excise tax on top of the statewide levy. NTU takes no formal position on marijuana legalization. The tax rate proposed in this measure would appear to be the lowest of any state that is considering legalizing or has already legalized recreational marijuana.



Local Measures

Macomb, Oakland, Washtenaw, and Wayne Counties

- (-) **REGIONAL TRANSIT AUTHORITY TRANSPORTATION PROPERTY TAX ASSESSMENT**, would, if approved by voters in these four counties surrounding Detroit, raise property taxes by 1.2 mills in order to fund a rail system between Detroit and Ann Arbor as well as a bus system. A 2015 [study](#) by the District of Columbia’s Chief Financial Officer found that Detroit had the highest effective property tax rate in the country among the largest cities in each state. The average tax increase would be about \$100 annually per homeowner. By increasing property taxes, the incidence of the tax would fall on homeowners already facing extremely high property taxes.
Note: A majority vote in all four counties combined is required to pass this measure.



Statewide Measures

- (+) **LEGISLATIVE PAY COUNCIL AMENDMENT**, if approved, would create an 18-person board composed of individuals appointed by the Chief Justice of the Minnesota Supreme Court tasked with setting the pay of legislators. Passage of this amendment would prohibit legislators from setting their own salaries, which would benefit taxpayers and enhance accountability in government.



Statewide Measures

- (-) **CONTINUATION OF SALES AND USE TAX MEASURE, CONSTITUTIONAL AMENDMENT 1**, would continue the one-tenth of one percent sales tax that the state has in place for the next 10 years. If rejected by voters, the tax would lapse – marking a victory for taxpayers.
- (-) **60 CENT CIGARETTE TAX, CONSTITUTIONAL AMENDMENT 3**, would increase the tax on cigarettes by 60 cents per pack by 2020. The revenue generated by this regressive tax would be deposited into a new trust fund to pay for health care coverage and educational opportunities for children. Aside from the regressive nature of the tax, Missouri may well surrender a revenue advantage it has because so many cross border shoppers come to the Show Me State for purchases.
- (+) **SALES TAX PROHIBITION, CONSTITUTIONAL AMENDMENT 4**, would, if enacted, prohibit new state sales and use taxes on any service or activity that was not subject to sales or use tax on or before January 1, 2015. Although systemic tax reform might broaden the base of tax and reduce rates, in the near term this measure would protect taxpayers from efforts to simply raise more revenues by applying existing taxes on more goods and services.

- (-) **23 CENT CIGARETTE TAX, PROPOSITION A**, would raise the cigarette tax by 23 cents per pack by 2021. Unlike Constitutional Amendment 3, Proposition A would use the additional tax revenue generated by the regressive tax hike to fund infrastructure and transportation projects. However, like all cigarette tax hikes, it would likely lead to less predictable revenues.



NEVADA

Statewide Measures

- (-) **MARIJUANA LEGALIZATION INITIATIVE, QUESTION 2**, if passed, would legalize marijuana for recreational purposes for those at least 21 years of age. The initiative would also implement a 15 percent marijuana excise tax to support K-12 education. Although NTU takes no position on the legalization of marijuana, the measure does not offer a clear rationale for setting the tax rate at this level (for example, directly offsetting administration and enforcement costs or approximating the tax rate on other products).
- (+) **ENERGY CHOICE AMENDMENT, QUESTION 3**, would eliminate the state's electricity monopoly. Removing the monopoly would allow alternative energy sources and private electricity to compete on a more level playing field. Competition would expand energy choices and lower costs for ratepayers.
- (+) **MEDICAL EQUIPMENT SALES TAX EXEMPTION, QUESTION 4**, would amend the state's constitution to prohibit the imposition of sales and use taxes for durable medical equipment, including oxygen delivery equipment and other types of medical devices. This amendment would help to make health care more affordable for people in the Battle Born State.



NEW JERSEY

Statewide Measures

- (●) **THE GAS TAX AMENDMENT**, would dedicate all revenue received from the state's gas tax towards transportation projects. The state currently allocates 3 cents of its 13.5 cent gas tax towards other portions of the budget. Dedicating all the revenue from the gasoline tax toward transportation projects makes sense, provided the New Jersey Legislature does not try to raise other taxes to make up for the lost revenue. Likewise, this additional revenue should not be used to fund ill-conceived light rail projects or other similar ventures.



NORTH DAKOTA

Statewide Measures

- (●) **THE OIL EXTRACTION TAX ALLOCATION AMENDMENT, CONSTITUTIONAL MEASURE 2**, would alter how funds in the state treasury's foundation aid stabilization fund may be spent. The state constitution currently requires that 10 percent of revenues from oil extraction taxes be deposited into the foundation aid stabilization fund. It allows that the fund can only expend money by order of the governor in order to offset foundation aid reductions due to revenue shortfalls. This measure would allow the Governor to order additional expenditures from the fund for educational purposes.
- (-) **TOBACCO TAX INITIATIVE, INITIATED STATUTORY MEASURE 4**, would, if passed, hike tobacco taxes in the state. Specifically, the cigarette tax would be increased from \$0.44 per pack to \$2.20 per pack – an enormous 400 percent increase. This poorly drafted measure would double existing taxes on other tobacco products and it would levy a new tax on electronic cigarettes and vapor products. This proposal is ill-conceived. It amounts to a massive regressive tax increase – hitting those particularly hard who can least afford it. Likewise, it will create an increased incentive for black market and cross border purchases. In addition, by increasing taxes on electronic cigarettes and liquid nicotine, which the [British Ministry of Health](#) found to be 95 percent less harmful than traditional tobacco products, the state is placing an enhanced burden on those using these products to quit smoking. If enacted, the measure would harm local retailers, which will cost jobs. Finally, given the complicated language of the measure and unspecified programs the tax would fund, it would provide nearly \$70 million more for politicians and bureaucrats to spend with little oversight.



OKLAHOMA

Statewide Measures

- (-) **STATE QUESTION 779**, if passed, would increase the state sales tax by one percentage point to generate \$615 million a year for education. Increasing Oklahoma's relatively low sales tax would compromise an advantage the state has over its neighbors.
- (+) **WINE AND BEER AMENDMENT, STATE QUESTION 792**, would allow grocery stores to sell full strength beer and wine seven days a week. This measure would begin to unravel convoluted alcohol distribution laws and bring the state in line with its neighboring states of Texas and Arkansas.



Statewide Measures

- (-) **BUSINESS TAX INCREASE INITIATIVE, MEASURE 97**, would increase corporate taxes on businesses with annual incomes that exceed \$25 million. Specifically, the measure would establish a minimum \$30,000 tax plus 2.5 percent of the revenue that exceeds \$25 million. It is estimated that the tax would raise \$6 billion over two years, which would drastically increase the size of the Oregon state budget. As the nonpartisan Tax Foundation has [noted](#), since 2000, four states have eliminated their gross receipts tax after realizing the detrimental impact such taxes pose. The Measure constitutes a tax increase on businesses throughout the state, hitting especially hard those businesses with very narrow profit margins, which would increase prices for consumers and make the state less competitive.



Statewide Measures

- (+) **YOUTH MINIMUM WAGE REFERENDUM, REFERRED LAW 20**, would decrease the minimum wage for those under age 18 from \$8.50 to \$7.50 per hour. The decrease in the minimum wage for youth could result in increased hiring of teenagers, allowing for them to get valuable work experience before fully entering the workforce.
- (+) **REDISTRICTING COMMISSION AMENDMENT, CONSTITUTIONAL AMENDMENT T**, would establish an independent redistricting commission composed of nine registered voters. The pool from which the board is chosen would be composed of an equal mix from the two major political parties and those who are unaffiliated. Supporters of measures such as these argue that by vesting the power of redistricting in a commission, rather than a legislature would allow for competitive districts more responsive to the interests of voters. This could result in lower taxes and less spending.
- (-) **LIMIT ON STATUTORY INTEREST RATES FOR LOANS, CONSTITUTIONAL AMENDMENT U**, would add a section to the constitution to limit the ability of a lender to charge a statutory interest rate above 18 percent without written permission of the individual taking out the loan. The measure further involves the government in regulating a contract between two parties. It would also limit the availability of credit for those that need it.
- (-) **PAYDAY LENDING INITIATIVE, INITIATED MEASURE 21**, would cap interest rates for short-term loans at 36 percent. Like Amendment U, this measure further involves the government in regulating a contract between two parties. It would also limit the availability of credit for those that need it.
- (-) **REVISION OF STATE CAMPAIGN FINANCE AND LOBBYING LAWS, INITIATED MEASURE 22**, would extensively revise the state’s campaign finance laws. It requires additional disclosures and increased reporting. It lowers contribution amounts to political action committees, political parties, and candidates for statewide, legislative, or county office. It also imposes limits on contributions from candidate campaign committees, political action committees, and political parties. Such measures would chill political speech and would serve to limit the influence of individual taxpayers on the electoral process.



Local Measures

Arlington

- (-) **NEW BASEBALL STADIUM AUTHORIZATION AND FINANCING**, would, if passed, extend an existing 0.5 percent sales tax, a two percent hotel occupancy tax, a five percent rental car tax, and a tax on baseball tickets to fund construction of a new \$1 billion baseball stadium for the Texas Rangers. If approved, the new stadium would replace Globe Life Park, which was built a mere 22 years ago – relatively new by Major League Baseball standards. [According to a 2016 Forbes study](#), the Texas Rangers are worth approximately \$1.25 billion. Extending regressive taxes to subsidize wealthy baseball teams is ill-conceived. Hotel and rental car taxes will make the city less attractive for tourism, while the extra sales tax would encourage cost conscious shoppers to look to neighboring cities.



Statewide Measures

- (+) **“RIGHT TO WORK” AMENDMENT**, if passed, would make it illegal to require membership in a labor union as a condition of employment. This would ensure that employees would be able to work, without being forced to join a union, if they are hired by an employer, whose workers are unionized. A 2011 [study](#) by prominent economist and NTU board member Dr. Richard Vedder found a strong positive relationship between economic growth in a state and the presence of a right to work law in such state.
- (+) **PROPERTY TAX EXEMPTION FOR SURVIVING SPOUSES OF POLICE AND SERVICE PERSONNEL AMENDMENT**, if passed would provide a local option property tax exemption for the spouse of “any law-enforcement officer, firefighter, search and rescue personnel, or emergency medical services personnel who were killed in the line of duty.” A surviving spouse would only be eligible for a property tax exemption if he or she occupies a property as his or her primary place of residence and if the spouse has not remarried. This represents a decrease in taxes for those spouses that have been affected by the death of their partner, assuming their local government provides the exemption.



WASHINGTON

Statewide Measures

- (●) **CARBON EMISSION TAX, INITIATIVE 732**, would, over the course of two years, phase in a \$25 per metric ton carbon tax. After reaching \$25, the tax would increase annually by 3.5 percent plus the rate of inflation. To offset the tax increases, the Measure cuts the sales tax from 6.5 percent to 5.5 percent and offers a rebate of up to \$1,500 per year to low income families. Likewise, the business and occupation tax for manufacturers would be cut from 0.484 percent to 0.001 percent of gross receipts. As former Chairman of the Council of Economic Advisers Greg Mankiw has [written](#), “ If passed, [the Measure] *would yield a tax shift, not a tax increase*” (Emphasis added). No U.S. state has ever enacted a carbon tax and it is difficult to predict the net long-term effect of this mix of policies on the economic decision-making of businesses and individuals.

- (-) **MINIMUM WAGE INCREASE, INITIATIVE 1433**, would, if enacted, incrementally raise the state’s minimum wage to \$13.50 per hour by 2020 and force employers to offer paid sick leave. In 2014, Seattle instituted a \$15 minimum wage that went into effect on April 1, 2015. The period between April 1, 2015 and December 31, 2015, saw the largest nine month drop in employment in Seattle since the 2008 recession. These types of proposed labor restrictions raise costs for businesses and will lead to less employment.

- (-) **STATE-PROVIDED CAMPAIGN FINANCING FUNDED BY A NON-RESIDENT SALES TAX, INITIATIVE 1464**, would significantly overhaul the state’s campaign finance system. Specifically, it would provide limited public funding for qualifying candidates by allowing citizens to designate three \$50 donations for certain public offices and repeal a non-resident sales tax exemption to pay for the public funding. In addition, it would make certain amendments to lobbying laws. In total, this would raise taxes for a dubious purpose.

Local Measures

King, Pierce, and Snohomish Counties

- (-) **REGIONAL TRANSIT EXPANSION, MEASURE ST3**, would, if enacted, increase sales, property, and car tab taxes in order to fund a large scale expansion of the area’s light rail, commuter train, and rapid bus transit. Specifically, Measure ST3 would increase the sales tax by 0.5 percentage points, raise the car tab tax from \$30 per \$10,000 of vehicle value to \$110, and increase the property tax by \$25 per \$100,000 in home value. [As the Seattle Times estimated](#), these new taxes would amount to a \$326 increase in expenses for a typical Seattle-area household. The tax would cost the average homeowner in King County [approximately \\$20,000 over 25 years](#). These massive tax hikes would lead to a less prosperous and less competitive Seattle region.

Note: This guide is for informational purposes only; it is not intended to provide endorsements or recommendations to voters.