



## Veto Referendum FAQ

*The day after legislators approved the largest-revenue raising package in state history, a new group called Oklahoma Taxpayers Unite announced it would seek to overturn the legislative action via a statewide veto referendum.*

*OSSBA's legal team has put together the following information to answer some of the frequently asked questions we are hearing from school board members and administrators. We will continue to update the FAQ and share additional information as it becomes available. **If you have questions, please feel free to contact any member of the OSSBA legal team.***

### **What is a veto referendum?**

The veto referendum is essentially a voter veto. The veto referendum process outlined in the Oklahoma Constitution allows voters to decide whether to veto legislation that has been signed by the governor if enough signatures are gathered on a referendum petition.

### **How many signatures are required?**

The petition process requires a number of signatures equivalent to 5 percent of the amount of votes cast in the previous election for governor. In this case, that is 41,242 signatures. If that number of signatures is collected, and assuming they are valid and survive any legal challenges, the referendum is placed on a statewide ballot.

### **What happens if signatures are obtained?**

If the petition includes the required number of legal signatures, the law in question is then placed on hold. So, if someone were to collect 41,242 signatures from voters opposed to a particular piece of legislation, the legislation would not go into effect unless voters rejected the veto at the statewide vote.

**What will happen to the state and education budget if enough signatures are certified on a referendum petition?**

No referendum petition has yet been filed. However, if it is filed and enough signatures are gathered and certified, any revenue-raising bills that are being challenged would not go into effect as scheduled. The primary target is likely to be HB 1010xx, which is projected to generate \$428 million in FY19 without the hotel/motel revenue, and HB 1011xx, the income tax deduction cap bill expected to generate \$94 million in FY19. Most of the revenue is initially earmarked to the general revenue fund, which means any budget cut/reduction would apply across all state agencies that receive appropriations – not just education. For education, the veto of HB 1010xx could mean an approximately \$140 million cut to the FY 19 appropriation. A referendum petition also can target only certain sections of a bill. Also, in the event of a referendum petition, the legislature could act to supplement the budget to offset potential lost revenue.

**Would a referendum petition affect the teacher and support employee pay raises?**

Potentially. HB 1023xx is the bill that requires an increase to the minimum salary schedule and requires districts above the minimum schedule also to increase pay. While that bill does not have a specific revenue source, it contains a section that makes it contingent on HB 1010xx and HB 1011xx being enacted. If the revenue bills are put on hold, then the law requiring the teacher pay raises also will be on hold. That clause is not contained in HB 1026xx, the support employee pay raise bill.

**When will schools know if a veto referendum will appear on a ballot?**

That's unclear. The referendum process has several steps, and the timing depends largely on if and when a referendum petition is filed. A referendum petition must be filed within 90 days of sine die, which would begin the process. Revenue bills go into effect 90 days after the governor's signature so it's possible a revenue bill subject to the referendum could go into effect before the petition is filed and then later be halted pending a statewide vote.