
SENATE BILL 6821

State of Washington

61st Legislature

2010 Regular Session

By Senators Holmquist, McCaslin, Stevens, Delvin, Becker, Honeyford, Parlette, Hewitt, Swecker, and Morton

Read first time 02/01/10. Referred to Committee on Ways & Means.

1 AN ACT Relating to tax increases imposed by state government;
2 amending RCW 43.135.035; creating a new section; and providing for
3 submission of this act to a vote of the people.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** It is the intent of the legislature by this
6 act to submit to voters a measure that would reaffirm the provisions of
7 Initiative 601 and Initiative 960 that required a two-thirds vote of
8 the legislature to raise state taxes, absent voter approval. Should
9 this measure be approved, it is further the intent of the legislature
10 that the protection provided by Article II, section 41 of the state
11 Constitution concerning legislative amendment or repeal of measures
12 approved by voters attach to this act.

13 **Sec. 2.** RCW 43.135.035 and 2009 c 479 s 36 are each amended to
14 read as follows:

15 (1) After July 1, 1995, any action or combination of actions by the
16 legislature that raises taxes may be taken only if approved by at least
17 a two-thirds vote of each house of the legislature, and then only if
18 state expenditures in any fiscal year, including the new revenue, will

1 not exceed the state expenditure limits established under this chapter.
2 Pursuant to the referendum power set forth in Article II, section 1(b)
3 of the state Constitution, tax increases may be referred to the voters
4 for their approval or rejection at an election.

5 (2)(a) If the legislative action under subsection (1) of this
6 section will result in expenditures in excess of the state expenditure
7 limit, then the action of the legislature shall not take effect until
8 approved by a vote of the people at a November general election. The
9 state expenditure limit committee shall adjust the state expenditure
10 limit by the amount of additional revenue approved by the voters under
11 this section. This adjustment shall not exceed the amount of revenue
12 generated by the legislative action during the first full fiscal year
13 in which it is in effect. The state expenditure limit shall be
14 adjusted downward upon expiration or repeal of the legislative action.

15 (b) The ballot title for any vote of the people required under this
16 section shall be substantially as follows:

17 "Shall taxes be imposed on in order to allow a
18 spending increase above last year's authorized spending adjusted for
19 personal income growth?"

20 (3)(a) The state expenditure limit may be exceeded upon declaration
21 of an emergency for a period not to exceed twenty-four months by a law
22 approved by a two-thirds vote of each house of the legislature and
23 signed by the governor. The law shall set forth the nature of the
24 emergency, which is limited to natural disasters that require immediate
25 government action to alleviate human suffering and provide humanitarian
26 assistance. The state expenditure limit may be exceeded for no more
27 than twenty-four months following the declaration of the emergency and
28 only for the purposes contained in the emergency declaration.

29 (b) Additional taxes required for an emergency under this section
30 may be imposed only until thirty days following the next general
31 election, unless an extension is approved at that general election.
32 The additional taxes shall expire upon expiration of the declaration of
33 emergency. The legislature shall not impose additional taxes for
34 emergency purposes under this subsection unless funds in the education
35 construction fund have been exhausted.

36 (c) The state or any political subdivision of the state shall not
37 impose any tax on intangible property listed in RCW 84.36.070 as that
38 statute exists on January 1, 1993.

1 (4) If the cost of any state program or function is shifted from
2 the state general fund to another source of funding, or if moneys are
3 transferred from the state general fund to another fund or account, the
4 state expenditure limit committee, acting pursuant to RCW
5 43.135.025(5), shall lower the state expenditure limit to reflect the
6 shift. For the purposes of this section, a transfer of money from the
7 state general fund to another fund or account includes any state
8 legislative action taken that has the effect of reducing revenues from
9 a particular source, where such revenues would otherwise be deposited
10 into the state general fund, while increasing the revenues from that
11 particular source to another state or local government account. This
12 subsection does not apply to: (a) The dedication or use of lottery
13 revenues under RCW 67.70.240(3), in support of education or education
14 expenditures; or (b) a transfer of moneys to, or an expenditure from,
15 the budget stabilization account.

16 (5) If the cost of any state program or function and the ongoing
17 revenue necessary to fund the program or function are shifted to the
18 state general fund on or after January 1, 2007, the state expenditure
19 limit committee, acting pursuant to RCW 43.135.025(5), shall increase
20 the state expenditure limit to reflect the shift unless the shifted
21 revenue had previously been shifted from the general fund.

22 (6) For the purposes of chapter 1, Laws of 2008, "raises taxes"
23 means any action or combination of actions by the legislature that
24 increases state tax revenue deposited in any fund, budget, or account,
25 regardless of whether the revenues are deposited into the general fund.

26 NEW SECTION. **Sec. 3.** The secretary of state shall submit this act
27 to the people for their adoption and ratification, or rejection, at the
28 next general election to be held in this state, in accordance with
29 Article II, section 1 of the state Constitution and the laws adopted to
30 facilitate its operation.

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