
SENATE BILL 5944

State of Washington

62nd Legislature

2011 Regular Session

By Senators Murray, White, Regala, Prentice, Rockefeller, Fraser, Harper, Ranker, Conway, Nelson, Kohl-Welles, Kline, and Chase

Read first time 04/14/11. Referred to Committee on Ways & Means.

1 AN ACT Relating to revenue increases for purposes of imposing a
2 supermajority voting requirement in the legislature; amending RCW
3 43.135.034; creating a new section; and providing for submission of
4 this act to a vote of the people.

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

6 NEW SECTION. **Sec. 1.** (1) The legislature finds that the multitude
7 of tax exemptions built into our state tax code have the same effect on
8 the budgeting of state revenues as expenditures for education, higher
9 education, physical and mental health care, criminal justice, and
10 environmental protection.

11 (2) The legislature further finds that tax exemptions do not
12 provide an inherently greater benefit than these other allocated public
13 expenditures, especially during times of an underperforming economy and
14 when available revenues are inadequate to fund the state's basic
15 commitments to educate, care for the vulnerable and protect the health
16 and safety of the public and the environment.

17 (3) Therefore it is the legislature's intent to request that the
18 people determine that existing tax exemptions should not be privileged

1 under the law nor subject to a greater threshold required to modify or
2 end them than are other expenditures provided for in the state general
3 fund.

4 **Sec. 2.** RCW 43.135.034 and 2011 c 1 s 2 (Initiative Measure No.
5 1053) are each amended to read as follows:

6 (1) After July 1, 1995, any action or combination of actions by the
7 legislature that raises taxes may be taken only if approved by at least
8 two-thirds legislative approval in both the house of representatives
9 and the senate. Pursuant to the referendum power set forth in Article
10 II, section 1(b) of the state Constitution, tax increases may be
11 referred to the voters for their approval or rejection at an election.

12 (2)(a) If the legislative action under subsection (1) of this
13 section will result in expenditures in excess of the state expenditure
14 limit, then the action of the legislature (~~shall~~) does not take
15 effect until approved by a vote of the people at a November general
16 election. The state expenditure limit committee (~~shall~~) must adjust
17 the state expenditure limit by the amount of additional revenue
18 approved by the voters under this section. This adjustment (~~shall~~)
19 may not exceed the amount of revenue generated by the legislative
20 action during the first full fiscal year in which it is in effect. The
21 state expenditure limit (~~shall~~) must be adjusted downward upon
22 expiration or repeal of the legislative action.

23 (b) The ballot title for any vote of the people required under this
24 section (~~shall~~) must be substantially as follows:

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

28 (3)(a) The state expenditure limit may be exceeded upon declaration
29 of an emergency for a period not to exceed twenty-four months by a law
30 approved by a two-thirds vote of each house of the legislature and
31 signed by the governor. The law (~~shall~~) must set forth the nature of
32 the emergency, which is limited to natural disasters that require
33 immediate government action to alleviate human suffering and provide
34 humanitarian assistance. The state expenditure limit may be exceeded
35 for no more than twenty-four months following the declaration of the
36 emergency and only for the purposes contained in the emergency
37 declaration.

1 (b) Additional taxes required for an emergency under this section
2 may be imposed only until thirty days following the next general
3 election, unless an extension is approved at that general election.
4 The additional taxes (~~shall~~) expire upon expiration of the
5 declaration of emergency. The legislature (~~shall~~) may not impose
6 additional taxes for emergency purposes under this subsection unless
7 funds in the education construction fund have been exhausted.

8 (c) The state or any political subdivision of the state (~~shall~~)
9 may not impose any tax on intangible property listed in RCW 84.36.070
10 as that statute exists on January 1, 1993.

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

26 (5) If the cost of any state program or function and the ongoing
27 revenue necessary to fund the program or function are shifted to the
28 state general fund on or after January 1, 2007, the state expenditure
29 limit committee, acting pursuant to RCW 43.135.025(5), (~~shall~~) must
30 increase the state expenditure limit to reflect the shift unless the
31 shifted revenue had previously been shifted from the general fund.

32 (6) For the purposes of this chapter, "raises taxes" means any
33 action or combination of actions, other than a reduction, repeal,
34 termination, expiration, or other modification of a tax preference as
35 defined by RCW 43.136.021, by the legislature that increases state tax
36 revenue deposited in any fund, budget, or account, regardless of
37 whether the revenues are deposited into the general fund.

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

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