
HOUSE BILL 1242

State of Washington

57th Legislature

2001 Regular Session

By Representatives H. Sommers, McIntire, Kenney, Ogden, O'Brien and
Cody; by request of Office of Financial Management

Read first time 01/22/2001. Referred to Committee on Appropriations.

1 AN ACT Relating to calculating the state expenditure limit; and
2 reenacting and amending RCW 43.135.035.

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

4 **Sec. 1.** RCW 43.135.035 and 2001 c 3 s 8 and 2000 2nd sp.s. c 2 s
5 2 are each reenacted and amended to read as follows:

6 (1) After July 1, 1995, any action or combination of actions by the
7 legislature that raises state revenue or requires revenue-neutral tax
8 shifts may be taken only if approved by a two-thirds vote of each
9 house, and then only if state expenditures in any fiscal year,
10 including the new revenue, will not exceed the state expenditure limits
11 established under this chapter.

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 not take effect until
15 approved by a vote of the people at a November general election. The
16 office of financial management shall adjust the state expenditure limit
17 by the amount of additional revenue approved by the voters under this
18 section. This adjustment shall not exceed the amount of revenue
19 generated by the legislative action during the first full fiscal year

1 in which it is in effect. The state expenditure limit shall be
2 adjusted downward upon expiration or repeal of the legislative action.

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

5 "Shall taxes be imposed on in order to allow a
6 spending increase above last year's authorized spending adjusted for
7 inflation and population increases?"

8 (3)(a) The state expenditure limit may be exceeded upon declaration
9 of an emergency for a period not to exceed twenty-four months by a law
10 approved by a two-thirds vote of each house of the legislature and
11 signed by the governor. The law shall set forth the nature of the
12 emergency, which is limited to natural disasters that require immediate
13 government action to alleviate human suffering and provide humanitarian
14 assistance. The state expenditure limit may be exceeded for no more
15 than twenty-four months following the declaration of the emergency and
16 only for the purposes contained in the emergency declaration.

17 (b) Additional taxes required for an emergency under this section
18 may be imposed only until thirty days following the next general
19 election, unless an extension is approved at that general election.
20 The additional taxes shall expire upon expiration of the declaration of
21 emergency. The legislature shall not impose additional taxes for
22 emergency purposes under this subsection unless funds in the education
23 construction fund have been exhausted.

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

27 (4)(a) If the cost of any state program or function is shifted from
28 the state general fund on or after January 1, 1993, to another source
29 of funding, or if moneys are transferred from the state general fund to
30 another fund or account, the state expenditure limit committee, acting
31 pursuant to RCW 43.135.025(5), shall lower the state expenditure limit
32 to reflect the shift. For the purposes of this section, a transfer of
33 money from the state general fund to another fund or account includes
34 any state legislative action taken after July 1, 2000, that has the
35 effect of reducing revenues from a particular source, where such
36 revenues would otherwise be deposited into the state general fund,
37 while increasing the revenues from that particular source to another
38 state or local government account.

1 (~~This~~) (b) Subsection (4)(a) of this section does not apply to
2 the dedication or use of lottery revenues under RCW 67.70.240(3) or
3 property taxes under RCW 84.52.--- (section 5, chapter 3, Laws of
4 2001), in support of education or education expenditures.

5 (5) If the cost of any state program or function is shifted to the
6 state general fund on or after January 1, 2000, from another source of
7 funding, or if moneys are transferred to the state general fund from
8 another fund or account, the state expenditure limit committee, acting
9 pursuant to RCW 43.135.025(5), shall increase the state expenditure
10 limit to reflect the shift.

11 (6) Beginning with calculation of the fiscal year 2002 expenditure
12 limit, the state expenditure limit committee shall also increase the
13 state expenditure limit for any state general fund spending measure
14 approved by the voters in a general election. The amount of this
15 increase shall match the costs for the measure that are assumed in the
16 enacted state budget.

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