
SENATE BILL 5989

State of Washington

57th Legislature

2001 Regular Session

By Senators Parlette, Rossi, Honeyford, Morton, Hewitt, Deccio, Swecker, West and Hochstatter

Read first time 02/12/2001. Referred to Committee on Ways & Means.

1 AN ACT Relating to calculating the state expenditure limit;
2 reenacting and amending RCW 43.135.035; providing an effective date;
3 and declaring an emergency.

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

5 **Sec. 1.** RCW 43.135.035 and 2001 c 3 s 8 (Initiative Measure No.
6 728) and 2000 2nd sp.s. c 2 s 2 are each reenacted and amended to read
7 as follows:

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

14 (2)(a) If the legislative action under subsection (1) of this
15 section will result in expenditures in excess of the state expenditure
16 limit, then the action of the legislature shall not take effect until
17 approved by a vote of the people at a November general election. The
18 office of financial management shall adjust the state expenditure limit
19 by the amount of additional revenue approved by the voters under this

1 section. This adjustment shall not exceed the amount of revenue
2 generated by the legislative action during the first full fiscal year
3 in which it is in effect. The state expenditure limit shall be
4 adjusted downward upon expiration or repeal of the legislative action.

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

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

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

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

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

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

1 while increasing the revenues from that particular source to another
2 state or local government account. This subsection does not apply to
3 the dedication or use of lottery revenues under RCW 67.70.240(3) or
4 property taxes under RCW 84.52.068, in support of education or
5 education expenditures.

6 (5) If the cost of any state program or function (~~(is)~~) and the
7 ongoing revenue necessary to fund the program or function are shifted
8 to the state general fund on or after January 1, (~~(2000, from another~~
9 ~~source of funding, or if moneys are transferred to the state general~~
10 ~~fund from another fund or account)) 2001, the state expenditure limit
11 committee, acting pursuant to RCW 43.135.025(5), shall increase the
12 state expenditure limit to reflect the shift.~~

13 NEW SECTION. **Sec. 2.** This act is necessary for the immediate
14 preservation of the public peace, health, or safety, or support of the
15 state government and its existing public institutions, and takes effect
16 July 1, 2001.

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