

INITIATIVE 1185

To the People

Chapter 1, Laws of 2013
Regular Session

Taxes and fees imposed by state government.

EFFECTIVE DATE: December 6, 2012

Approved by the
People of the State of Washington
in the General Election on
November 6, 2012

ORIGINALLY FILED

January 6, 2012

Secretary of State

1 AN ACT Relating to taxes and fees imposed by state government;
2 amending RCW 43.135.034, 43.135.055, 43.135.031, and 43.135.041;
3 creating new sections; and repealing 2010 c 4 s 2.

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

5 **INTENT**

6 NEW SECTION. **Sec. 1.** This initiative should deter the governor
7 and the legislature from sidestepping, suspending, or repealing any of
8 Initiative 1053's policies which voters approved by a huge margin in
9 2010. The people insist that tax increases receive either two-thirds
10 legislative approval or voter approval and fee increases receive a
11 simple majority vote. These important policies ensure that taxpayers
12 will be protected and that taking more of the people's money will
13 always be an absolute last resort.

14 **PROTECTING TAXPAYERS BY REQUIRING EITHER TWO-THIRDS LEGISLATIVE**
15 **APPROVAL OR VOTER APPROVAL FOR THE LEGISLATURE TO RAISE TAXES**

1 **Sec. 2.** RCW 43.135.034 and 2011 c 1 s 2 are each amended to read
2 as follows:

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

10 (b) For the purposes of this chapter, "raises taxes" means any
11 action or combination of actions by the state legislature that
12 increases state tax revenue deposited in any fund, budget, or account,
13 regardless of whether the revenues are deposited into the general fund.

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 state expenditure limit committee shall adjust the state expenditure
19 limit by the amount of additional revenue approved by the voters under
20 this section. This adjustment shall not exceed the amount of revenue
21 generated by the legislative action during the first full fiscal year
22 in which it is in effect. The state expenditure limit shall be
23 adjusted downward upon expiration or repeal of the legislative action.

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

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

29 (3) (a) The state expenditure limit may be exceeded upon declaration
30 of an emergency for a period not to exceed twenty-four months by a law
31 approved by a two-thirds vote of each house of the legislature and
32 signed by the governor. The law shall set forth the nature of the
33 emergency, which is limited to natural disasters that require immediate
34 government action to alleviate human suffering and provide humanitarian
35 assistance. The state expenditure limit may be exceeded for no more
36 than twenty-four months following the declaration of the emergency and
37 only for the purposes contained in the emergency 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 declaration of
5 emergency. The legislature shall not impose additional taxes for
6 emergency purposes under this subsection unless funds in the education
7 construction fund have been exhausted.

8 (c) The state or any political subdivision of the state shall not
9 impose any tax on intangible property listed in RCW 84.36.070 as that
10 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 increase
30 the state expenditure limit to reflect the shift unless the shifted
31 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 by the legislature that increases
34 state tax revenue deposited in any fund, budget, or account, regardless
35 of whether the revenues are deposited into the general fund.))~~

36 **NOTES:**

37 ***Reviser's note:** Initiative Measure No. 1185 deleted the word

1 "this" from subsection (6), which was being struck from existing code
2 by the use of double parentheses with strike-through.

3 NEW SECTION. **Sec. 3.** 2010 c 4 s 2 is repealed.

4 **PROTECTING TAXPAYERS BY REQUIRING FEE INCREASES**
5 **RECEIVE A SIMPLE MAJORITY VOTE**

6 **Sec. 4.** RCW 43.135.055 and 2011 c 1 s 5 are each amended to read
7 as follows:

8 (1) A fee may only be imposed or increased in any fiscal year if
9 approved with a simple majority (~~(legislative approval)~~) vote in both
10 the house of representatives and the senate and must be subject to the
11 accountability procedures required by RCW 43.135.031.

12 (2) This section does not apply to an assessment made by an
13 agricultural commodity commission or board created by state statute or
14 created under a marketing agreement or order under chapter 15.65 or
15 15.66 RCW, or to the forest products commission, if the assessment is
16 approved by referendum in accordance with the provisions of the
17 statutes creating the commission or board or chapter 15.65 or 15.66 RCW
18 for approving such assessments.

19 **STATUTORY REFERENCE CORRECTIONS**

20 **Sec. 5.** RCW 43.135.031 and 2010 [2008] c 1 s 2 are each amended to
21 read as follows:

22 (1) For any bill introduced in either the house of representatives
23 or the senate that raises taxes as defined by (~~(*RCW 43.135.035)~~) RCW
24 43.135.034 or increases fees, the office of financial management must
25 expeditiously determine its cost to the taxpayers in its first ten
26 years of imposition, must promptly and without delay report the results
27 of its analysis by public press release via e-mail to each member of
28 the house of representatives, each member of the senate, the news
29 media, and the public, and must post and maintain these releases on its
30 web site. Any ten-year cost projection must include a year-by-year
31 breakdown. For any bill containing more than one revenue source, a
32 ten-year cost projection for each revenue source will be included along
33 with the bill's total ten-year cost projection. The press release

1 shall include the names of the legislators, and their contact
2 information, who are sponsors and cosponsors of the bill so they can
3 provide information to, and answer questions from, the public.

4 (2) Any time any legislative committee schedules a public hearing
5 on a bill that raises taxes as defined by (~~*RCW 43.135.035~~) RCW
6 43.135.034 or increases fees, the office of financial management must
7 promptly and without delay report the results of its most up-to-date
8 analysis of the bill required by subsection (1) of this section and the
9 date, time, and location of the hearing by public press release via
10 e-mail to each member of the house of representatives, each member of
11 the senate, the news media, and the public, and must post and maintain
12 these releases on its web site. The press release required by this
13 subsection must include all the information required by subsection (1)
14 of this section and the names of the legislators, and their contact
15 information, who are members of the legislative committee conducting
16 the hearing so they can provide information to, and answer questions
17 from, the public.

18 (3) Each time a bill that raises taxes as defined by (~~*RCW~~
19 ~~43.135.035~~) RCW 43.135.034 or increases fees is approved by any
20 legislative committee or by at least a simple majority in either the
21 house of representatives or the senate, the office of financial
22 management must expeditiously reexamine and redetermine its ten-year
23 cost projection due to amendment or other changes during the
24 legislative process, must promptly and without delay report the results
25 of its most up-to-date analysis by public press release via e-mail to
26 each member of the house of representatives, each member of the senate,
27 the news media, and the public, and must post and maintain these
28 releases on its web site. Any ten-year cost projection must include a
29 year-by-year breakdown. For any bill containing more than one revenue
30 source, a ten-year cost projection for each revenue source will be
31 included along with the bill's total ten-year cost projection. The
32 press release shall include the names of the legislators, and their
33 contact information, and how they voted on the bill so they can provide
34 information to, and answer questions from, the public.

35 (4) For the purposes of this section, "names of legislators, and
36 their contact information" includes each legislator's position (senator
37 or representative), first name, last name, party affiliation (for

1 example, Democrat or Republican), city or town they live in, office
2 phone number, and office e-mail address.

3 (5) For the purposes of this section, "news media" means any member
4 of the press or media organization, including newspapers, radio, and
5 television, that signs up with the office of financial management to
6 receive the public press releases by e-mail.

7 (6) For the purposes of this section, "the public" means any
8 person, group, or organization that signs up with the office of
9 financial management to receive the public press releases by e-mail.

10 **Sec. 6.** RCW 43.135.041 and 2010 c 4 s 3 are each amended to read
11 as follows:

12 (1)(a) After July 1, 2011, if legislative action raising taxes as
13 defined by (~~(RCW 43.135.035)~~) RCW 43.135.034 is blocked from a public
14 vote or is not referred to the people by a referendum petition found to
15 be sufficient under RCW 29A.72.250, a measure for an advisory vote of
16 the people is required and shall be placed on the next general election
17 ballot under this chapter (~~(1, Laws of 2008)~~).

18 (b) If legislative action raising taxes enacted after July 1, 2011,
19 involves more than one revenue source, each tax being increased shall
20 be subject to a separate measure for an advisory vote of the people
21 under the requirements of this chapter (~~(1, Laws of 2008)~~).

22 (2) No later than the first of August, the attorney general will
23 send written notice to the secretary of state of any tax increase that
24 is subject to an advisory vote of the people, under the provisions and
25 exceptions provided by this chapter (~~(1, Laws of 2008)~~). Within five
26 days of receiving such written notice from the attorney general, the
27 secretary of state will assign a serial number for a measure for an
28 advisory vote of the people and transmit one copy of the measure
29 bearing its serial number to the attorney general as required by RCW
30 29A.72.040, for any tax increase identified by the attorney general as
31 needing an advisory vote of the people for that year's general election
32 ballot. Saturdays, Sundays, and legal holidays are not counted in
33 calculating the time limits in this subsection.

34 (3) For the purposes of this section, "blocked from a public vote"
35 includes adding an emergency clause to a bill increasing taxes, bonding
36 or contractually obligating taxes, or otherwise preventing a referendum
37 on a bill increasing taxes.

1 (4) If legislative action raising taxes is referred to the people
2 by the legislature or is included in an initiative to the people found
3 to be sufficient under RCW 29A.72.250, then the tax increase is exempt
4 from an advisory vote of the people under this chapter (~~(1, Laws of~~
5 ~~2008)~~).

6 **CONSTRUCTION CLAUSE**

7 NEW SECTION. **Sec. 7.** The provisions of this act are to be
8 liberally construed to effectuate the intent, policies, and purposes of
9 this act.

10 **SEVERABILITY CLAUSE**

11 NEW SECTION. **Sec. 8.** If any provision of this act or its
12 application to any person or circumstance is held invalid, the
13 remainder of the act or the application of the provision to other
14 persons or circumstances is not affected.

15 **MISCELLANEOUS**

16 NEW SECTION. **Sec. 9.** This act is known and may be cited as "Save
17 The 2/3's Vote For Tax Increases (Again) Act."
Originally filed in Office of Secretary of State January 6, 2012.
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