
HOUSE BILL 1992

State of Washington

64th Legislature

2015 Regular Session

By Representatives Stanford, Pike, Orcutt, Reykdal, Walsh, Hayes, Harris, Moscoso, Appleton, Fey, Pollet, Condotta, Takko, Bergquist, Ormsby, Tarleton, Senn, Jenkins, and Wilson

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1 AN ACT Relating to restoring resources to the capital budget
2 beginning with the 2015-2017 biennium; amending RCW 82.45.060,
3 82.16.020, 82.18.040, 43.135.045, 43.88.055, and 82.33.060; and
4 declaring an emergency.

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

6 **Sec. 1.** RCW 82.45.060 and 2013 2nd sp.s. c 9 s 6 are each
7 amended to read as follows:

8 There is imposed an excise tax upon each sale of real property at
9 the rate of one and twenty-eight one-hundredths percent of the
10 selling price. Beginning July 1, 2013, and ending June 30, ((2019))
11 2015, an amount equal to two percent of the proceeds of this tax must
12 be deposited in the public works assistance account created in RCW
13 43.155.050, and an amount equal to four and one-tenth percent must be
14 deposited in the education legacy trust account created in RCW
15 83.100.230. Thereafter, an amount equal to six and one-tenth percent
16 of the proceeds of this tax to the state treasurer must be deposited
17 in the public works assistance account created in RCW 43.155.050.
18 Except as otherwise provided in this section, an amount equal to one
19 and six-tenths percent of the proceeds of this tax to the state
20 treasurer must be deposited in the city-county assistance account
21 created in RCW 43.08.290.

1 **Sec. 2.** RCW 82.16.020 and 2013 2nd sp.s. c 9 s 7 are each
2 amended to read as follows:

3 (1) There is levied and there shall be collected from every
4 person a tax for the act or privilege of engaging within this state
5 in any one or more of the businesses herein mentioned. The tax shall
6 be equal to the gross income of the business, multiplied by the rate
7 set out after the business, as follows:

8 (a) Express, sewerage collection, and telegraph businesses: Three
9 and six-tenths percent;

10 (b) Light and power business: Three and sixty-two one-hundredths
11 percent;

12 (c) Gas distribution business: Three and six-tenths percent;

13 (d) Urban transportation business: Six-tenths of one percent;

14 (e) Vessels under sixty-five feet in length, except tugboats,
15 operating upon the waters within the state: Six-tenths of one
16 percent;

17 (f) Motor transportation, railroad, railroad car, and tugboat
18 businesses, and all public service businesses other than ones
19 mentioned above: One and eight-tenths of one percent;

20 (g) Water distribution business: Four and seven-tenths percent.

21 (2) An additional tax is imposed equal to the rate specified in
22 RCW 82.02.030 multiplied by the tax payable under subsection (1) of
23 this section.

24 (3) Twenty percent of the moneys collected under subsection (1)
25 of this section on water distribution businesses and sixty percent of
26 the moneys collected under subsection (1) of this section on sewerage
27 collection businesses shall be deposited in the education legacy
28 trust account created in RCW 83.100.230 from July 1, 2013, through
29 June 30, (~~(2019)~~) 2015, and thereafter in the public works assistance
30 account created in RCW 43.155.050.

31 **Sec. 3.** RCW 82.18.040 and 2013 2nd sp.s. c 9 s 8 are each
32 amended to read as follows:

33 (1) Taxes collected under this chapter must be held in trust
34 until paid to the state. Except as otherwise provided in this
35 subsection (1), taxes received by the state must be deposited in the
36 public works assistance account created in RCW 43.155.050. For the
37 period beginning July 1, 2011, and ending June 30, 2015, taxes
38 received by the state under this chapter must be deposited in the
39 general fund for general purpose expenditures. (~~For fiscal years~~

1 ~~2016, 2017, and 2018, one half of the taxes received by the state~~
2 ~~under this chapter must be deposited in the general fund for general~~
3 ~~purpose expenditures and the remainder deposited in the education~~
4 ~~legacy trust account created in RCW 83.100.230. For fiscal year 2019,~~
5 ~~taxes received by the state under this chapter must be deposited in~~
6 ~~the education legacy trust account created in RCW 83.100.230.)) Any~~
7 person collecting the tax who appropriates or converts the tax
8 collected is guilty of a gross misdemeanor if the money required to
9 be collected is not available for payment on the date payment is due.
10 If a taxpayer fails to pay the tax imposed by this chapter to the
11 person charged with collection of the tax and the person charged with
12 collection fails to pay the tax to the department, the department
13 may, in its discretion, proceed directly against the taxpayer for
14 collection of the tax.

15 (2) The tax is due from the taxpayer within twenty-five days from
16 the date the taxpayer is billed by the person collecting the tax.

17 (3) The tax is due from the person collecting the tax at the end
18 of the tax period in which the tax is received from the taxpayer. If
19 the taxpayer remits only a portion of the total amount billed for
20 taxes, consideration, and related charges, the amount remitted must
21 be applied first to payment of the solid waste collection tax and
22 this tax has priority over all other claims to the amount remitted.

23 **Sec. 4.** RCW 43.135.045 and 2013 2nd sp.s. c 9 s 5 are each
24 amended to read as follows:

25 The education construction fund is hereby created in the state
26 treasury.

27 (1) Funds may be appropriated from the education construction
28 fund exclusively for common school construction of facility
29 improvements or additions that are consistent with the construction
30 objectives of chapter 3, Laws of 2001 (Initiative Measure No. 728),
31 or for higher education construction.

32 (2) Funds may be appropriated for any other purpose only if
33 approved by a two-thirds vote of each house of the legislature and if
34 approved by a vote of the people at the next general election. An
35 appropriation approved by the people under this subsection must
36 result in an adjustment to the state expenditure limit only for the
37 fiscal period for which the appropriation is made and does not affect
38 any subsequent fiscal period.

1 (3) After July 1, 2015, the state treasurer must transfer one
2 hundred two million dollars from the general fund to the education
3 construction fund by June 30th of each year.

4 **Sec. 5.** RCW 43.88.055 and 2012 1st sp.s. c 8 s 1 are each
5 amended to read as follows:

6 (1) The legislature must adopt a four-year balanced budget as
7 follows:

8 (a) Beginning in the 2013-2015 fiscal biennium, the legislature
9 shall enact a balanced omnibus operating appropriations bill that
10 leaves, in total, a positive ending fund balance in the general fund
11 and related funds.

12 (b) Beginning in the 2013-2015 fiscal biennium, the projected
13 maintenance level of the omnibus appropriations bill enacted by the
14 legislature shall not exceed the available fiscal resources for the
15 next ensuing fiscal biennium.

16 (2) For purposes of this section:

17 (a) "Available fiscal resources" means the beginning general fund
18 and related fund balances and any fiscal resources estimated for the
19 general fund and related funds, adjusted for enacted legislation, and
20 with forecasted revenues adjusted to the greater of (i) the official
21 general fund and related funds revenue forecast for the ensuing
22 biennium, or (ii) the official general fund and related funds
23 forecast for the second fiscal year of the current fiscal biennium,
24 increased by 4.5 percent for each fiscal year of the ensuing
25 biennium. For purposes of appropriations enacted for the 2015-2017
26 fiscal biennium, "available fiscal resources" for the 2017-2019
27 fiscal biennium includes moneys deposited in the public works
28 assistance account and the education construction fund under the
29 amendatory changes in sections 1 through 4 of this act;

30 (b) "Projected maintenance level" means estimated appropriations
31 necessary to maintain the continuing costs of program and service
32 levels either funded in that appropriations bill or mandated by other
33 state or federal law, and the amount of any general fund moneys
34 projected to be transferred to the budget stabilization account
35 pursuant to Article VII, section 12 of the state Constitution, but
36 does not include in the 2013-2015 and 2015-2017 fiscal biennia the
37 costs related to the enhanced funding under the new definition of
38 basic education as established in chapter 548, Laws of 2009, and
39 affirmed by the decision in *Mathew McCleary et al., v. The State of*

1 Washington, 173 Wn.2d 477, 269 P.3d 227, (2012), from which the
2 short-term exclusion of these obligations is solely for the purposes
3 of calculating this estimate and does not in any way indicate an
4 intent to avoid full funding of these obligations;

5 (c) "Related funds," as used in this section, means the
6 Washington opportunity pathways account and the education legacy
7 trust account.

8 (3) Subsection (1)(a) and (b) of this section does not apply to
9 an appropriations bill that makes net reductions in general fund and
10 related funds appropriations and is enacted between July 1st and
11 February 15th of any fiscal year.

12 (4) Subsection (1)(b) of this section does not apply in a fiscal
13 biennium in which money is appropriated from the budget stabilization
14 account.

15 **Sec. 6.** RCW 82.33.060 and 2012 1st sp.s. c 8 s 4 are each
16 amended to read as follows:

17 (1) To facilitate compliance with, and subject to the terms of,
18 RCW 43.88.055, the state budget outlook work group shall prepare,
19 subject to the approval of the economic and revenue forecast council
20 under RCW 82.33.010, an official state budget outlook for state
21 revenues and expenditures for the general fund and related funds. In
22 odd-numbered years, the period covered by the November state budget
23 outlook shall be the current fiscal biennium and the next ensuing
24 fiscal biennium. In even-numbered years, the period covered by the
25 November state budget outlook shall be the next two ensuing fiscal
26 biennia. The revenue and caseload projections used in the outlook
27 must reflect the most recent official forecasts adopted by the
28 economic and revenue forecast council and the caseload forecast
29 council for the years for which those forecasts are available.

30 (2) The outlook must:

31 (a) Estimate revenues to and expenditures from the state general
32 fund and related funds. The estimate of ensuing biennium expenditures
33 must include maintenance items including, but not limited to,
34 continuation of current programs, forecasted growth of current
35 entitlement programs, and actions required by law, including
36 legislation with a future implementation date. Estimates of ensuing
37 biennium expenditures must exclude policy items including, but not
38 limited to, legislation not yet enacted by the legislature,
39 collective bargaining agreements not yet approved by the legislature,

1 and changes to levels of funding for employee salaries and benefits
2 unless those changes are required by statute. Estimated maintenance
3 level expenditures must also exclude costs of court rulings issued
4 during or within fewer than ninety days before the beginning of the
5 current legislative session. For purposes of outlooks prepared for
6 appropriations enacted for the 2015-2017 fiscal biennium, estimated
7 revenues to the general fund and related funds for the 2017-2019
8 fiscal biennium include moneys deposited in the public works
9 assistance account and the education construction fund under the
10 amendatory changes in sections 1 through 4 of this act;

11 (b) Address major budget and revenue drivers, including trends
12 and variability in these drivers;

13 (c) Clearly state the assumptions used in the estimates of
14 baseline and projected expenditures and any adjustments made to those
15 estimates;

16 (d) Clearly state the assumptions used in the baseline revenue
17 estimates and any adjustments to those estimates; and

18 (e) Include the impact of previously enacted legislation with a
19 future implementation date.

20 (3) The outlook must also separately include projections based on
21 the revenues and expenditures proposed in the governor's budget
22 documents submitted to the legislature under RCW 43.88.030.

23 (4) The economic and revenue forecast council shall submit state
24 budget outlooks prepared under this section to the governor and the
25 members of the committees on ways and means of the senate and house
26 of representatives, including one copy to the staff of each of the
27 committees, as required by this section.

28 (5) Each January, the state budget outlook work group shall also
29 prepare, subject to the approval of the economic and revenue forecast
30 council, a state budget outlook for state revenues and expenditures
31 that reflects the governor's proposed budget document submitted to
32 the legislature under chapter 43.88 RCW. Within thirty days following
33 enactment of an operating budget by the legislature, the work group
34 shall prepare, subject to the approval of the economic and revenue
35 forecast council, a state budget outlook for state revenues and
36 expenditures that reflects the enacted budget.

37 (6) All agencies of state government shall provide to the
38 supervisor immediate access to all information relating to state
39 budget outlooks.

1 (7) The state budget outlook work group must publish its proposed
2 methodology on the economic and revenue forecast council web site.
3 The state budget outlook work group, in consultation with the
4 economic and revenue forecast work group and outside experts if
5 necessary, must analyze the extent to which the proposed methodology
6 for projecting expenditures for the ensuing fiscal biennia may be
7 reliably used to determine the future impact of appropriations and
8 make recommendations to change the outlook process to increase
9 reliability and accuracy. The recommendations are due by December 1,
10 2013, and every five years thereafter.

11 NEW SECTION. **Sec. 7.** This act is necessary for the immediate
12 preservation of the public peace, health, or safety, or support of
13 the state government and its existing public institutions, and takes
14 effect immediately.

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