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SENATE BILL 6604

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State of Washington                      64th Legislature                      2016 Regular Session

By Senators Ericksen, Schoesler, Dammeier, and Roach

Read first time 01/28/16. Referred to Committee on Ways & Means.

1            AN ACT Relating to providing limitations in respect to tax raises  
2 and fee increases by the legislature; amending RCW 43.135.034 and  
3 43.135.055; and providing for submission of this act to a vote of the  
4 people.

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

6            **Sec. 1.** RCW 43.135.034 and 2015 3rd sp.s. c 44 s 421 are each  
7 amended to read as follows:

8            (1)(a) Any action or combination of actions by the legislature  
9 that raises taxes may be (~~taken only if~~) in effect for no more than  
10 one year after the effective date of such action unless approved by a  
11 two-thirds vote in both the house of representatives and the senate.  
12 Pursuant to the referendum power set forth in Article II, section  
13 1(b) of the state Constitution, tax increases may be referred to the  
14 voters for their approval or rejection at an election.

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

20            (2)(a) If the legislative action under subsection (1) of this  
21 section will result in expenditures in excess of the state

1 expenditure limit, then the action of the legislature may not take  
2 effect until approved by a vote of the people at a November general  
3 election. The state expenditure limit committee must adjust the state  
4 expenditure limit by the amount of additional revenue approved by the  
5 voters under this section. This adjustment may not exceed the amount  
6 of revenue generated by the legislative action during the first full  
7 fiscal year in which it is in effect. The state expenditure limit  
8 must be adjusted downward upon expiration or repeal of the  
9 legislative action.

10 (b) The ballot title for any vote of the people required under  
11 this section must be substantially as follows:

12 "Shall taxes be imposed on . . . . . in order to allow a  
13 spending increase above last year's authorized spending adjusted for  
14 personal income growth?"

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

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

32 (c) The state or any political subdivision of the state may not  
33 impose any tax on intangible property listed in RCW 84.36.070 as that  
34 statute exists on January 1, 1993.

35 (4) If the cost of any state program or function is shifted from  
36 the state general fund to another source of funding, or if moneys are  
37 transferred from the state general fund to another fund or account,  
38 the state expenditure limit committee, acting pursuant to RCW  
39 43.135.025(5), must lower the state expenditure limit to reflect the

1 shift. For the purposes of this section, a transfer of money from the  
2 state general fund to another fund or account includes any state  
3 legislative action taken that has the effect of reducing revenues  
4 from a particular source, where such revenues would otherwise be  
5 deposited into the state general fund, while increasing the revenues  
6 from that particular source to another state or local government  
7 account. This subsection does not apply to: (a) The dedication or use  
8 of lottery revenues under RCW 67.70.240(1)(c), in support of  
9 education or education expenditures; (b) a transfer of moneys to, or  
10 an expenditure from, the budget stabilization account; or (c) a  
11 transfer of money to, or an expenditure from, the connecting  
12 Washington account established in RCW 46.68.395.

13 (5) If the cost of any state program or function and the ongoing  
14 revenue necessary to fund the program or function are shifted to the  
15 state general fund on or after January 1, 2007, the state expenditure  
16 limit committee, acting pursuant to RCW 43.135.025(5), must increase  
17 the state expenditure limit to reflect the shift unless the shifted  
18 revenue had previously been shifted from the general fund.

19 **Sec. 2.** RCW 43.135.055 and 2013 c 1 s 4 are each amended to read  
20 as follows:

21 (1) A fee may only be imposed or increased in any fiscal year if  
22 approved with a simple majority vote in both the house of  
23 representatives and the senate and must be subject to the  
24 accountability procedures required by RCW 43.135.031. Legislative  
25 approval cannot occur in an omnibus appropriations act.

26 (2) This section does not apply to an assessment made by an  
27 agricultural commodity commission or board created by state statute  
28 or created under a marketing agreement or order under chapter 15.65  
29 or 15.66 RCW, or to the forest products commission, if the assessment  
30 is approved by referendum in accordance with the provisions of the  
31 statutes creating the commission or board or chapter 15.65 or 15.66  
32 RCW for approving such assessments.

33 NEW SECTION. **Sec. 3.** The secretary of state shall submit this  
34 act to the people for their adoption and ratification, or rejection,  
35 at the next general election to be held in this state, in accordance

1 with Article II, section 1 of the state Constitution and the laws  
2 adopted to facilitate its operation.

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