A PROCLAMATION BY THE GOVERNOR:

WHEREAS, under the provisions of Article II, Section 1 of the Constitution of the State of Washington, there was submitted to the electorate of the state of Washington for approval or rejection at the General Election held on the 3rd day of November 2015, an Initiative to the People identified as Initiative Measure No. 1366 and entitled:

"Initiative Measure No. 1366 concerns state taxes and fees. This measure would decrease the sales tax rate unless the legislature refers to voters a constitutional amendment requiring two-thirds legislative approval or voter approval to raise taxes, and legislative approval for fee increases."

WHEREAS, Kim Wyman, as Secretary of State, has on the 2nd day of December 2015, canvassed the votes cast on this measure at the General Election and certified that 760,518 votes were cast in favor of Initiative Measure No. 1366 and 715,684 votes were cast against Initiative Measure No. 1366; and

WHEREAS, as appears from this certification, a majority of the votes cast on this proposition at the General Election were in favor of its adoption;

NOW, THEREFORE, I, Jay Inslee, Governor of the State of Washington, do hereby proclaim that the voters of the state of Washington approved the proposed law as set forth in Initiative Measure No. 1366.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the state of Washington to be affixed this 2nd day of December 2015.

JAY INSLEE
Governor

ATTEST:

KIM WYMAN
Secretary of State
(Mark Neary, Assistant Secretary of State)
INITIATIVE 1366

To the People

Chapter 1, Laws of 2016

State Taxes and Fees

EFFECTIVE DATE: December 2, 2015

Approved by the People of the State of Washington in the General Election on December 2, 2015

ORIGINALLY FILED

January 5, 2015

Secretary of State
AN ACT Relating to taxes and fees imposed by state government;
amending RCW 82.08.020, 43.135.031, and 43.135.041; adding new
sections to chapter 43.135 RCW; creating new sections; and providing
a contingent expiration date.

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

2/3 CONSTITUTIONAL AMENDMENT

COMPLETE TEXT

INTENT

NEW SECTION. Sec. 1. Over the past twenty years, the taxpayers
have been required to pay increasing taxes and fees to the state,
hampering economic growth and limiting opportunities for the citizens
of Washington.

The people declare and establish that the state needs to exercise
fiscal restraint by either reducing tax burdens or limiting tax
increases to only those considered necessary by more than a bare
majority of legislators.

Since 1993, the voters have repeatedly passed initiatives
requiring two-thirds legislative approval or voter approval to raise
taxes and majority legislative approval for fee increases. However, the people have not been allowed to vote on a constitutional amendment requiring these protections even though the people have approved them on numerous occasions.

This measure provides a reduction in the burden of state taxes by reducing the sales tax, enabling the citizens to keep more of their own money to pay for increases in other state taxes and fees due to the lack of a constitutional amendment protecting them, unless the legislature refers to the ballot for a vote a constitutional amendment requiring two-thirds legislative approval or voter approval to raise taxes and majority legislative approval for fee increases. The people want to ensure that tax and fee increases are consistently a last resort.

**REDUCE THE SALES TAX UNLESS...**

Sec. 2. RCW 82.08.020 (Tax imposed--Retail sales--Retail car rental) and 2014 c 140 s 12 are each amended to read as follows:

1. There is levied and collected a tax equal to ((six)) five and five-tenths percent of the selling price on each retail sale in this state of:
   a. Tangible personal property, unless the sale is specifically excluded from the RCW 82.04.050 definition of retail sale;
   b. Digital goods, digital codes, and digital automated services, if the sale is included within the RCW 82.04.050 definition of retail sale;
   c. Services, other than digital automated services, included within the RCW 82.04.050 definition of retail sale;
   d. Extended warranties to consumers; and
   e. Anything else, the sale of which is included within the RCW 82.04.050 definition of retail sale.

2. There is levied and collected an additional tax on each retail car rental, regardless of whether the vehicle is licensed in this state, equal to five and nine-tenths percent of the selling price. The revenue collected under this subsection must be deposited in the multimodal transportation account created in RCW 47.66.070.

3. Beginning July 1, 2003, there is levied and collected an additional tax of three-tenths of one percent of the selling price on each retail sale of a motor vehicle in this state, other than retail car rentals taxed under subsection (2) of this section. The revenue
collected under this subsection must be deposited in the multimodal transportation account created in RCW 47.66.070.

(4) For purposes of subsection (3) of this section, "motor vehicle" has the meaning provided in RCW 46.04.320, but does not include:

(a) Farm tractors or farm vehicles as defined in RCW 46.04.180 and 46.04.181, unless the farm tractor or farm vehicle is for use in the production of marijuana;

(b) Off-road vehicles as defined in RCW 46.04.365;

(c) Nonhighway vehicles as defined in RCW 46.09.310; and

(d) Snowmobiles as defined in RCW 46.04.546.

(5) Beginning on December 8, 2005, 0.16 percent of the taxes collected under subsection (1) of this section must be dedicated to funding comprehensive performance audits required under RCW 43.09.470. The revenue identified in this subsection must be deposited in the performance audits of government account created in RCW 43.09.475.

(6) The taxes imposed under this chapter apply to successive retail sales of the same property.

(7) The rates provided in this section apply to taxes imposed under chapter 82.12 RCW as provided in RCW 82.12.020.

...UNLESS THE LEGISLATURE REFERS TO THE BALLOT FOR A VOTE A CONSTITUTIONAL AMENDMENT REQUIRING TWO-THIRDS LEGISLATIVE APPROVAL OR VOTER APPROVAL TO RAISE TAXES AND MAJORITY LEGISLATIVE APPROVAL FOR FEE INCREASES

NEW SECTION. Sec. 3. (1) Section 2 of this act takes effect April 15, 2016, unless the contingency in subsection (2) of this section occurs.

(2) If the legislature, prior to April 15, 2016, refers to the ballot for a vote a constitutional amendment requiring two-thirds legislative approval or voter approval to raise taxes as defined by voter-approved Initiatives 960, 1053, and 1185 and section 6 of this act and majority legislative approval for fee increases as required by voter-approved Initiatives 960, 1053, and 1185 and codified in RCW 43.135.055 and further defined by subsection (a) of this section, section 2 of this act expires on April 14, 2016.

(a) "Majority legislative approval for fee increases" means only the legislature may set a fee increase's amount and must list it in a
bill so it can be subject to the ten-year cost projection and other accountability procedures required by RCW 43.135.031.

STATUTORY REFERENCE UPDATES

Sec. 4. RCW 43.135.031 (Bills raising taxes or fees - Cost analysis - Press release - Notice of hearings - Updated analyses) and 2013 c 1 s 5 are each amended to read as follows:

1. For any bill introduced in either the house of representatives or the senate that raises taxes as defined by section 6 of this act or increases fees, the office of financial management must expeditiously determine its cost to the taxpayers in its first ten years of imposition, must promptly and without delay report the results of its analysis by public press release via e-mail to each member of the house of representatives, each member of the senate, the news media, and the public, and must post and maintain these releases on its web site. Any ten-year cost projection must include a year-by-year breakdown. For any bill containing more than one revenue source, a ten-year cost projection for each revenue source will be included along with the bill’s total ten-year cost projection. The press release shall include the names of the legislators, and their contact information, who are sponsors and cosponsors of the bill so they can provide information to, and answer questions from, the public.

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

3. Each time a bill that raises taxes as defined by section 6 of this act or increases fees is approved by
any legislative committee or by at least a simple majority in either
the house of representatives or the senate, the office of financial
management must expeditiously reexamine and redetermine its ten-year
cost projection due to amendment or other changes during the
legislative process, must promptly and without delay report the
results of its most up-to-date analysis by public press release via
e-mail to each member of the house of representatives, each member of
the senate, the news media, and the public, and must post and
maintain these releases on its web site. Any ten-year cost projection
must include a year-by-year breakdown. For any bill containing more
than one revenue source, a ten-year cost projection for each revenue
source will be included along with the bill's total ten-year cost
projection. The press release shall include the names of the
legislators, and their contact information, and how they voted on the
bill so they can provide information to, and answer questions from,
the public.

(4) For the purposes of this section, "names of legislators, and
their contact information" includes each legislator's position
(senator or representative), first name, last name, party affiliation
(for example, Democrat or Republican), city or town they live in,
office phone number, and office e-mail address.

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

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

Sec. 5. RCW 43.135.041 (Tax legislation - Advisory vote - Duties
of the attorney general and secretary of state - Exemption) and 2013
 c 1 s 6 are each amended to read as follows:

(1)(a) After July 1, 2011, if legislative action raising taxes as
defined by ((RCW 43.135.034)) section 6 of this act is blocked from a
public vote or is not referred to the people by a referendum petition
found to be sufficient under RCW 29A.72.250, a measure for an
advocacy vote of the people is required and shall be placed on the
next general election ballot under this chapter.

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

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

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

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

NEW SECTION. Sec. 6. A new section is added to chapter 43.135 RCW to read as follows:

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

CONSTRUCTION CLAUSE

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

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

TITLE OF THE ACT

NEW SECTION. Sec. 9. This act is known and may be cited as the "Taxpayer Protection Act."