H-0941.3

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**HOUSE BILL 2218**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** Representatives Hunter, Carlyle, S. Hunt, and Santos

AN ACT Relating to repealing the state expenditure limit; creating a new section; and repealing RCW 43.135.025.

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

NEW SECTION. **Sec.**  The legislature finds that the new state requirements for a four-year balanced budget and the budget outlook process have resulted in a new type of legislative fiscal planning that balances revenues and expenditures over multiple biennia. These processes were enacted in 2012 and provide a better tool for balancing the state budget while fulfilling constitutional requirements than does the state expenditure limit process. The state expenditure limit was first enacted in 1993 as part of Initiative Measure No. 601. The legislature finds that Washington has undergone many changes in the intervening years, including a recession during which state general fund revenues and expenditures actually declined despite population growth and increased demands for public services. Further, the legislature finds that the state supreme court's 2012 ruling and subsequent orders in *McCleary v. State* will result in a constitutional obligation to increase state expenditures for basic education. For these reasons, the legislature intends to repeal the statute that establishes the state expenditure limit.

NEW SECTION. **Sec.**  RCW 43.135.025 (General fund expenditure limit—Computation—Annual limit adjustment—Definitions—Emergency exception—State treasurer duty, penalty—State expenditure limit committee) and 2009 c 479 s 35, 2005 c 72 s 4, (2006 c 56 s 7 expired July 1, 2007), 2000 2nd sp.s. c 2 s 1, & 1994 c 2 s 2 are each repealed.

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