

SB 6843 - S AMD 43

By Senators Hargrove, Hatfield

ADOPTED 02/09/2010

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 43.135.035 and 2009 c 479 s 36 are each amended to
4 read as follows:

5 (1)(a) After July 1, 1995, any action or combination of actions by
6 the legislature that raises taxes may be taken only if approved by a
7 two-thirds vote of each house of the legislature, and then only if
8 state expenditures in any fiscal year, including the new revenue, will
9 not exceed the state expenditure limits established under this chapter.
10 Pursuant to the referendum power set forth in Article II, section 1(b)
11 of the state Constitution, tax increases may be referred to the voters
12 for their approval or rejection at an election. The requirements of
13 this subsection (1)(a) do not apply to any action or combination of
14 actions described in (b) of this subsection.

15 (b)(i) In order to preserve funding for education, public safety,
16 health care, and safety net services for elderly, disabled, and
17 vulnerable people during the unprecedented economic crisis in the 2009-
18 2011 fiscal biennium, it is the intent of the legislature to provide a
19 temporary means to stabilize revenue collections.

20 (ii) For legislation enacted between the effective date of this
21 section and July 1, 2011, any action or combination of actions by the
22 legislature that raises taxes may be taken with the approval of a
23 majority of members elected to each house of the legislature.

24 (2)(a) If the legislative action under subsection (1) of this
25 section will result in expenditures in excess of the state expenditure
26 limit, then the action of the legislature shall not take effect until
27 approved by a vote of the people at a November general election. The
28 state expenditure limit committee shall adjust the state expenditure
29 limit by the amount of additional revenue approved by the voters under
30 this section. This adjustment shall not exceed the amount of revenue

1 generated by the legislative action during the first full fiscal year
2 in which it is in effect. The state expenditure limit shall be
3 adjusted downward upon expiration or repeal of the legislative action.

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

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

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

18 (b) Additional taxes required for an emergency under this section
19 may be imposed only until thirty days following the next general
20 election, unless an extension is approved at that general election.
21 The additional taxes shall expire upon expiration of the declaration of
22 emergency. The legislature shall not impose additional taxes for
23 emergency purposes under this subsection unless funds in the education
24 construction fund have been exhausted.

25 (c) The state or any political subdivision of the state shall not
26 impose any tax on intangible property listed in RCW 84.36.070 as that
27 statute exists on January 1, 1993.

28 (4) If the cost of any state program or function is shifted from
29 the state general fund to another source of funding, or if moneys are
30 transferred from the state general fund to another fund or account, the
31 state expenditure limit committee, acting pursuant to RCW
32 43.135.025(5), shall lower the state expenditure limit to reflect the
33 shift. For the purposes of this section, a transfer of money from the
34 state general fund to another fund or account includes any state
35 legislative action taken that has the effect of reducing revenues from
36 a particular source, where such revenues would otherwise be deposited
37 into the state general fund, while increasing the revenues from that
38 particular source to another state or local government account. This

1 subsection does not apply to: (a) The dedication or use of lottery
2 revenues under RCW 67.70.240(3), in support of education or education
3 expenditures; or (b) a transfer of moneys to, or an expenditure from,
4 the budget stabilization account.

5 (5) If the cost of any state program or function and the ongoing
6 revenue necessary to fund the program or function are shifted to the
7 state general fund on or after January 1, 2007, the state expenditure
8 limit committee, acting pursuant to RCW 43.135.025(5), shall increase
9 the state expenditure limit to reflect the shift unless the shifted
10 revenue had previously been shifted from the general fund.

11 (6) For the purposes of chapter 1, Laws of 2008, "raises taxes"
12 means any action or combination of actions by the legislature that
13 increases state tax revenue deposited in any fund, budget, or account,
14 regardless of whether the revenues are deposited into the general fund.

15 NEW SECTION. **Sec. 2.** This act is necessary for the immediate
16 preservation of the public peace, health, or safety, or support of the
17 state government and its existing public institutions, and takes effect
18 immediately."

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19 On page 1, line 4 of the title, after "budgeting;" strike the
20 remainder of the title and insert "amending RCW 43.135.035; and
21 declaring an emergency."

EFFECT: Strikes the underlying bill. Provides legislative intent
related to raising revenue in the 2009-2011 fiscal biennium. From the
effective date through July 1, 2011, any action or combination of
actions by the legislature that raises taxes may be taken with the
approval of a majority of members elected to each house of the

legislature. The bill has an emergency clause and would take effect immediately.

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