CERTIFICATION OF ENROLLMENT

ENGROSSED SUBSTITUTE SENATE BILL 6130

61st Legislature 2010 Regular Session

Passed by the Senate February 22, 2010 YEAS 26 NAYS 21

President of the Senate

Passed by the House February 17, 2010 YEAS 51 NAYS 47

Speaker of the House of Representatives

Approved

FILED

Secretary of State State of Washington

Secretary

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is ENGROSSED SUBSTITUTE SENATE BILL 6130 as passed by the Senate and the House of Representatives on the dates hereon set forth.

Governor of the State of Washington

ENGROSSED SUBSTITUTE SENATE BILL 6130

AS AMENDED BY THE HOUSE

Passed Legislature - 2010 Regular Session

State of Washington61st Legislature2010 Regular SessionBy Senate Ways & Means (originally sponsored by Senator Prentice)READ FIRST TIME 02/09/10.

AN ACT Relating to amending provisions related to Initiative No. 960; amending RCW 43.135.035 and 43.135.041; adding a new section to chapter 43.135 RCW; and declaring an emergency.

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

5 <u>NEW SECTION.</u> Sec. 1. A new section is added to chapter 43.135 RCW 6 to read as follows:

7 In order to preserve funding for education, public safety, health 8 care, and safety net services for elderly, disabled, and vulnerable 9 people, it is the intent of the legislature to provide a means to 10 stabilize revenue collections.

11 **Sec. 2.** RCW 43.135.035 and 2009 c 479 s 36 are each amended to 12 read as follows:

(1) After July 1, ((1995)) 2011, any action or combination of actions by the legislature that raises taxes may be taken only if approved by a two-thirds vote of each house of the legislature, and then only if state expenditures in any fiscal year, including the new revenue, will not exceed the state expenditure limits established under 1 this chapter. Pursuant to the referendum power set forth in Article
2 II, section 1(b) of the state Constitution, tax increases may be
3 referred to the voters for their approval or rejection at an election.

4 (2)(a) If the legislative action under subsection (1) of this section will result in expenditures in excess of the state expenditure 5 limit, then the action of the legislature shall not take effect until 6 7 approved by a vote of the people at a November general election. The 8 state expenditure limit committee shall adjust the state expenditure 9 limit by the amount of additional revenue approved by the voters under 10 this section. This adjustment shall not exceed the amount of revenue generated by the legislative action during the first full fiscal year 11 12 in which it is in effect. The state expenditure limit shall be 13 adjusted downward upon expiration or repeal of the legislative action.

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

16 "Shall taxes be imposed on in order to allow a 17 spending increase above last year's authorized spending adjusted for 18 personal income growth?"

(3)(a) The state expenditure limit may be exceeded upon declaration 19 20 of an emergency for a period not to exceed twenty-four months by a law approved by a two-thirds vote of each house of the legislature and 21 22 signed by the governor. The law shall set forth the nature of the 23 emergency, which is limited to natural disasters that require immediate government action to alleviate human suffering and provide humanitarian 24 25 The state expenditure limit may be exceeded for no more assistance. than twenty-four months following the declaration of the emergency and 26 27 only for the purposes contained in the emergency declaration.

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

35 (c) The state or any political subdivision of the state shall not 36 impose any tax on intangible property listed in RCW 84.36.070 as that 37 statute exists on January 1, 1993.

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(4) If the cost of any state program or function is shifted from 1 2 the state general fund to another source of funding, or if moneys are transferred from the state general fund to another fund or account, the 3 4 expenditure limit committee, acting state pursuant to RCW 43.135.025(5), shall lower the state expenditure limit to reflect the 5 shift. For the purposes of this section, a transfer of money from the 6 7 state general fund to another fund or account includes any state 8 legislative action taken that has the effect of reducing revenues from a particular source, where such revenues would otherwise be deposited 9 10 into the state general fund, while increasing the revenues from that particular source to another state or local government account. 11 This 12 subsection does not apply to: (a) The dedication or use of lottery 13 revenues under RCW 67.70.240(3), in support of education or education expenditures; or (b) a transfer of moneys to, or an expenditure from, 14 15 the budget stabilization account.

16 (5) If the cost of any state program or function and the ongoing 17 revenue necessary to fund the program or function are shifted to the 18 state general fund on or after January 1, 2007, the state expenditure 19 limit committee, acting pursuant to RCW 43.135.025(5), shall increase 20 the state expenditure limit to reflect the shift unless the shifted 21 revenue had previously been shifted from the general fund.

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

26 **Sec. 3.** RCW 43.135.041 and 2008 c 1 s 6 are each amended to read 27 as follows:

(1)(a) After July 1, 2011, if legislative action raising taxes as defined by RCW 43.135.035 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 advisory vote of the people is required and shall be placed on the next general election ballot under chapter 1, Laws of 2008.

34 (((a))) <u>(b)</u> If legislative action raising taxes <u>enacted after July</u> 35 <u>1, 2011</u>, involves more than one revenue source, each tax being 36 increased shall be subject to a separate measure for an advisory vote 37 of the people under the requirements of chapter 1, Laws of 2008.

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(2) No later than the first of August, the attorney general will 1 2 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 3 exceptions provided by chapter 1, Laws of 2008. Within five days of 4 receiving such written notice from the attorney general, the secretary 5 of state will assign a serial number for a measure for an advisory vote б 7 of the people and transmit one copy of the measure bearing its serial 8 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 9 10 vote of the people for that year's general election ballot. Saturdays, Sundays, and legal holidays are not counted in calculating the time 11 12 limits in this subsection.

13 (3) For the purposes of this section, "blocked from a public vote" 14 includes adding an emergency clause to a bill increasing taxes, bonding 15 or contractually obligating taxes, or otherwise preventing a referendum 16 on a bill increasing taxes.

17 (4) If legislative action raising taxes is referred to the people 18 by the legislature or is included in an initiative to the people found 19 to be sufficient under RCW 29A.72.250, then the tax increase is exempt 20 from an advisory vote of the people under chapter 1, Laws of 2008.

21 <u>NEW SECTION.</u> Sec. 4. This act is necessary for the immediate 22 preservation of the public peace, health, or safety, or support of the 23 state government and its existing public institutions, and takes effect 24 immediately.

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