



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 3<sup>rd</sup> 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 2<sup>nd</sup> 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;

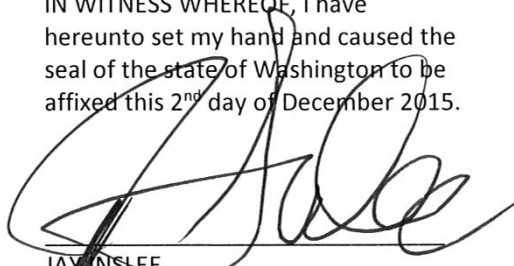
NOW, THEREFORE, I, Jay Inslee, Governor of the State of Washington, do hereby proclaim that the voters of the state of Washington approved the proposed law as set forth in Initiative Measure No. 1366.



ATTEST:

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

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

  
JAY INSLEE  
Governor

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**

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

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

6 **2/3 CONSTITUTIONAL AMENDMENT**

7  
8 **COMPLETE TEXT**

9  
10 **INTENT**

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

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

19 Since 1993, the voters have repeatedly passed initiatives  
20 requiring two-thirds legislative approval or voter approval to raise

1 taxes and majority legislative approval for fee increases. However,  
2 the people have not been allowed to vote on a constitutional  
3 amendment requiring these protections even though the people have  
4 approved them on numerous occasions.

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

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

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

17 (1) There is levied and collected a tax equal to (~~six~~) five and  
18 five-tenths percent of the selling price on each retail sale in this  
19 state of:

20 (a) Tangible personal property, unless the sale is specifically  
21 excluded from the RCW 82.04.050 definition of retail sale;

22 (b) Digital goods, digital codes, and digital automated services,  
23 if the sale is included within the RCW 82.04.050 definition of retail  
24 sale;

25 (c) Services, other than digital automated services, included  
26 within the RCW 82.04.050 definition of retail sale;

27 (d) Extended warranties to consumers; and

28 (e) Anything else, the sale of which is included within the RCW  
29 82.04.050 definition of retail sale.

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

35 (3) Beginning July 1, 2003, there is levied and collected an  
36 additional tax of three-tenths of one percent of the selling price on  
37 each retail sale of a motor vehicle in this state, other than retail  
38 car rentals taxed under subsection (2) of this section. The revenue

1 collected under this subsection must be deposited in the multimodal  
2 transportation account created in RCW 47.66.070.

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

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

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

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

11 (d) Snowmobiles as defined in RCW 46.04.546.

12 (5) Beginning on December 8, 2005, 0.16 percent of the taxes  
13 collected under subsection (1) of this section must be dedicated to  
14 funding comprehensive performance audits required under RCW  
15 43.09.470. The revenue identified in this subsection must be  
16 deposited in the performance audits of government account created in  
17 RCW 43.09.475.

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

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

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

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

29 (2) If the legislature, prior to April 15, 2016, refers to the  
30 ballot for a vote a constitutional amendment requiring two-thirds  
31 legislative approval or voter approval to raise taxes as defined by  
32 voter-approved Initiatives 960, 1053, and 1185 and section 6 of this  
33 act and majority legislative approval for fee increases as required  
34 by voter-approved Initiatives 960, 1053, and 1185 and codified in RCW  
35 43.135.055 and further defined by subsection (a) of this section,  
36 section 2 of this act expires on April 14, 2016.

37 (a) "Majority legislative approval for fee increases" means only  
38 the legislature may set a fee increase's amount and must list it in a

1 bill so it can be subject to the ten-year cost projection and other  
2 accountability procedures required by RCW 43.135.031.

3 **STATUTORY REFERENCE UPDATES**

4 **Sec. 4.** RCW 43.135.031 (Bills raising taxes or fees - Cost  
5 analysis - Press release - Notice of hearings - Updated analyses) and  
6 2013 c 1 s 5 are each amended to read as follows:

7 (1) For any bill introduced in either the house of  
8 representatives or the senate that raises taxes as defined by ((RCW  
9 ~~43.135.034~~)) section 6 of this act or increases fees, the office of  
10 financial management must expeditiously determine its cost to the  
11 taxpayers in its first ten years of imposition, must promptly and  
12 without delay report the results of its analysis by public press  
13 release via e-mail to each member of the house of representatives,  
14 each member of the senate, the news media, and the public, and must  
15 post and maintain these releases on its web site. Any ten-year cost  
16 projection must include a year-by-year breakdown. For any bill  
17 containing more than one revenue source, a ten-year cost projection  
18 for each revenue source will be included along with the bill's total  
19 ten-year cost projection. The press release shall include the names  
20 of the legislators, and their contact information, who are sponsors  
21 and cosponsors of the bill so they can provide information to, and  
22 answer questions from, the public.

23 (2) Any time any legislative committee schedules a public hearing  
24 on a bill that raises taxes as defined by ((RCW ~~43.135.034~~)) section  
25 6 of this act or increases fees, the office of financial management  
26 must promptly and without delay report the results of its most  
27 up-to-date analysis of the bill required by subsection (1) of this  
28 section and the date, time, and location of the hearing by public  
29 press release via e-mail to each member of the house of  
30 representatives, each member of the senate, the news media, and the  
31 public, and must post and maintain these releases on its web site.  
32 The press release required by this subsection must include all the  
33 information required by subsection (1) of this section and the names  
34 of the legislators, and their contact information, who are members of  
35 the legislative committee conducting the hearing so they can provide  
36 information to, and answer questions from, the public.

37 (3) Each time a bill that raises taxes as defined by ((RCW  
38 ~~43.135.034~~)) section 6 of this act or increases fees is approved by

1 any legislative committee or by at least a simple majority in either  
2 the house of representatives or the senate, the office of financial  
3 management must expeditiously reexamine and redetermine its ten-year  
4 cost projection due to amendment or other changes during the  
5 legislative process, must promptly and without delay report the  
6 results of its most up-to-date analysis by public press release via  
7 e-mail to each member of the house of representatives, each member of  
8 the senate, the news media, and the public, and must post and  
9 maintain these releases on its web site. Any ten-year cost projection  
10 must include a year-by-year breakdown. For any bill containing more  
11 than one revenue source, a ten-year cost projection for each revenue  
12 source will be included along with the bill's total ten-year cost  
13 projection. The press release shall include the names of the  
14 legislators, and their contact information, and how they voted on the  
15 bill so they can provide information to, and answer questions from,  
16 the public.

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

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

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

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

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

38 (b) If legislative action raising taxes enacted after July 1,  
39 2011, involves more than one revenue source, each tax being increased

1 shall be subject to a separate measure for an advisory vote of the  
2 people under the requirements of this chapter.

3 (2) No later than the first of August, the attorney general will  
4 send written notice to the secretary of state of any tax increase  
5 that is subject to an advisory vote of the people, under the  
6 provisions and exceptions provided by this chapter. Within five days  
7 of receiving such written notice from the attorney general, the  
8 secretary of state will assign a serial number for a measure for an  
9 advisory vote of the people and transmit one copy of the measure  
10 bearing its serial number to the attorney general as required by RCW  
11 29A.72.040, for any tax increase identified by the attorney general  
12 as needing an advisory vote of the people for that year's general  
13 election ballot. Saturdays, Sundays, and legal holidays are not  
14 counted in calculating the time limits in this subsection.

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

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

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

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

30 **CONSTRUCTION CLAUSE**

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

34 **SEVERABILITY CLAUSE**



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

5

**TITLE OF THE ACT**

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