
HOUSE JOINT RESOLUTION 4204

State of Washington 55th Legislature 1997 Regular Session

By Representatives Boldt, Pennington, Mulliken, Dunn, Carrell and Mielke

Read first time 01/21/97. Referred to Committee on Appropriations.

1 BE IT RESOLVED, BY THE SENATE AND HOUSE OF REPRESENTATIVES OF THE
2 STATE OF WASHINGTON, IN LEGISLATIVE SESSION ASSEMBLED:

3 THAT, At the next general election to be held in this state the
4 secretary of state shall submit to the qualified voters of the state
5 for their approval and ratification, or rejection, an amendment to
6 Article VII of the Constitution of the state of Washington by adding
7 new sections to read as follows:

8 Article VII, section 12. The people of the state of Washington
9 hereby find and declare:

10 (1) The continuing increases in our state tax burden and the
11 corresponding growth of state government is contrary to the interest of
12 the people of the state of Washington.

13 (2) It is necessary to limit the rate of growth of state government
14 while assuring adequate funding of essential services, including basic
15 education as defined by the legislature.

16 (3) The current budgetary system in the state of Washington lacks
17 stability. The system encourages crisis budgeting and results in
18 cutbacks during lean years and overspending during surplus years.

19 (4) It is therefore the intent of sections 12 through 18 of this
20 Article to:

1 (a) Establish a limit on state expenditures that will assure that
2 the growth rate of state expenditures does not exceed the growth rate
3 of inflation and state population;

4 (b) Assure that local governments are provided funds adequate to
5 render those services deemed essential by their citizens;

6 (c) Assure that the state does not impose responsibility on local
7 governments for new programs or increased levels of service under
8 existing programs unless the costs thereof are paid by the state;

9 (d) Provide for adjustment of the limit when costs of a program are
10 transferred between the state and another political entity;

11 (e) Establish a procedure for exceeding this limit in emergency
12 situations;

13 (f) Provide for voter approval of tax increases; and

14 (g) Avoid overfunding and underfunding state programs by providing
15 stability, consistency, and long-range planning.

16 Section 13. (1) The state shall not expend from the general fund
17 during any fiscal year state moneys in excess of the state expenditure
18 limit established under sections 12 through 18 of this Article.

19 (2) Except pursuant to a declaration of emergency under section 14
20 of this Article or pursuant to an appropriation under section 15(4)(b)
21 of this Article, the state treasurer shall not issue or redeem any
22 check, warrant, or voucher that will result in a state general fund
23 expenditure for any fiscal year in excess of the state expenditure
24 limit established under sections 12 through 18 of this Article. A
25 violation of this subsection constitutes a violation of RCW 43.88.290
26 and shall subject the state treasurer to the penalties provided in RCW
27 43.88.300.

28 (3) The state expenditure limit for any fiscal year shall be the
29 previous fiscal year's state expenditure limit increased by a
30 percentage rate that equals the fiscal growth factor.

31 (4) For purposes of computing the state expenditure limit for the
32 fiscal year beginning July 1, 1995, the phrase "the previous fiscal
33 year's state expenditure limit" means the total state expenditures from
34 the state general fund, not including federal funds, for the fiscal
35 year beginning July 1, 1989, plus the fiscal growth factor. This
36 calculation is then computed for the state expenditure limit for fiscal
37 years 1992, 1993, 1994, and 1995, and as required under section 14(4)
38 of this Article.

1 (5) Each November, the office of financial management shall adjust
2 the expenditure limit for the preceding fiscal year based on actual
3 expenditures and known changes in the fiscal growth factor and then
4 project an expenditure limit for the next two fiscal years. The office
5 of financial management shall notify the legislative fiscal committees
6 of all adjustments to the state expenditure limit and projections of
7 future expenditure limits.

8 (6) "Fiscal growth factor" means the average of the sum of
9 inflation and population change for each of the prior three fiscal
10 years.

11 (7) "Inflation" means the percentage change in the implicit price
12 deflator for the United States for each fiscal year as published by the
13 federal bureau of labor statistics.

14 (8) "Population change" means the percentage change in state
15 population for each fiscal year as reported by the office of financial
16 management.

17 Section 14. (1) After July 1, 1995, any action or combination of
18 actions by the legislature that raises state revenue or requires
19 revenue-neutral tax shifts may be taken only if approved by a two-
20 thirds vote of each house, and then only if state expenditures in any
21 fiscal year, including the new revenue, will not exceed the state
22 expenditure limits established under sections 12 through 18 of this
23 Article.

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 office of financial management shall adjust the state expenditure limit
29 by the amount of additional revenue approved by the voters under this
30 section. This adjustment shall not exceed the amount of revenue
31 generated by the legislative action during the first full fiscal year
32 in which it is in effect. The state expenditure limit shall be
33 adjusted downward upon expiration or repeal of the legislative action.

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

36 "Shall taxes be imposed on in order to allow a
37 spending increase above last year's authorized spending adjusted for
38 inflation and population increases?"

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

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

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

20 (4) If the cost of any state program or function is shifted from
21 the state general fund on or after January 1, 1993, to another source
22 of funding, or if moneys are transferred from the state general fund to
23 another fund or account, the office of financial management shall lower
24 the state expenditure limit to reflect the shift.

25 Section 15. (1) The emergency reserve fund is established in the
26 state treasury. During each fiscal year, the state treasurer shall
27 deposit in the emergency reserve fund all general fund--state revenues
28 in excess of the state expenditure limit for that fiscal year.
29 Deposits shall be made at the end of each fiscal quarter based on
30 projections of state revenues and the state expenditure limit.

31 (2) The legislature may appropriate moneys from the emergency
32 reserve fund only with approval of at least two-thirds of the members
33 of each house of the legislature, and then only if the appropriation
34 does not cause total expenditures to exceed the state expenditure limit
35 under sections 12 through 18 of this Article.

36 (3) The emergency reserve fund balance shall not exceed five
37 percent of biennial general fund--state revenues as projected by the
38 official state revenue forecast. Any balance in excess of five percent

1 shall be transferred on a quarterly basis by the state treasurer to the
2 education construction fund hereby created in the treasury.

3 (4)(a) Funds may be appropriated from the education construction
4 fund exclusively for common school construction or higher education
5 construction.

6 (b) Funds may be appropriated for any other purpose only if
7 approved by a two-thirds vote of each house of the legislature and if
8 approved by a vote of the people at the next general election. An
9 appropriation approved by the people under this subsection shall result
10 in an adjustment to the state expenditure limit only for the fiscal
11 period for which the appropriation is made and shall not affect any
12 subsequent fiscal period.

13 Section 16. No fee may increase in any fiscal year by a percentage
14 in excess of the fiscal growth factor for that fiscal year without
15 prior legislative approval.

16 Section 17. (1) After July 1, 1995, the legislature shall not
17 impose responsibility for new programs or increased levels of service
18 under existing programs on any political subdivision of the state
19 unless the subdivision is fully reimbursed by specific appropriation by
20 the state for the costs of the new programs or increases in service
21 levels.

22 (2) If by order of any court, or legislative enactment, the costs
23 of a federal or local government program are transferred to or from the
24 state, the otherwise applicable state expenditure limit shall be
25 increased or decreased, as the case may be, by the dollar amount of the
26 costs of the program.

27 (3) The legislature, in consultation with the office of financial
28 management or its successor agency, shall determine the costs of any
29 new programs or increased levels of service under existing programs
30 imposed on any political subdivision or transferred to or from the
31 state.

32 (4) Subsection (1) of this section does not apply to the costs
33 incurred for voting devices or machines under RCW 29.04.200.

34 Section 18. If any provision of this act or its application to any
35 person or circumstance is held invalid, the remainder of the act or the
36 application of the provision to other persons or circumstances is not
37 affected.

1 BE IT FURTHER RESOLVED, That this amendment is a single amendment
2 within the meaning of Article XXIII, section 1 of the state
3 Constitution.

4 The legislature finds that the changes contained in this amendment
5 constitute a single integrated plan for limiting expenditures and
6 taxation. If this amendment is held to be separate amendments, this
7 joint resolution is void in its entirety and is of no further force and
8 effect.

9 BE IT FURTHER RESOLVED, That the secretary of state shall cause
10 notice of this constitutional amendment to be published at least four
11 times during the four weeks next preceding the election in every legal
12 newspaper in the state.

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