

SSB 6078 - H AMD TO H APP COMM AMD (H2969.1)

By Representative McDonald

1 Strike everything after page 1, line 2 of the amendment and
2 insert the following:

3 **Sec. 1.** RCW 43.135.035 and 2001 c 3 s 8 and 2000 2nd sp.s. c
4 2 s 2 are each reenacted and amended to read as follows:

5 (1) (~~After July 1, 1995, any action or combination of actions~~
6 ~~by the legislature that raises state revenue or requires revenue-~~
7 ~~neutral tax shifts may be taken only if approved by a two-thirds~~
8 ~~vote of each house, and then only if state expenditures in any~~
9 ~~fiscal year, including the new revenue, will not exceed the state~~
10 ~~expenditure limits established under this chapter)) A tax increase
11 may be imposed only by a favorable vote of three-fifths of the
12 members of each house of the legislature, as provided in Article
13 VII, section . . . of the state Constitution (HJR 4209).~~

14 (2)(a) If the legislative action under subsection (1) of this
15 section will result in expenditures in excess of the state
16 expenditure limit, then the action of the legislature shall not
17 take effect until approved by a vote of the people at a November
18 general election. The office of financial management shall adjust
19 the state expenditure limit by the amount of additional revenue
20 approved by the voters under this section. This adjustment shall
21 not exceed the amount of revenue generated by the legislative
22 action during the first full fiscal year in which it is in effect.
23 The state expenditure limit shall be adjusted downward upon
24 expiration or repeal of the legislative action.

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

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

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

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

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

22 (4) If the cost of any state program or function is shifted
23 from the state general fund on or after January 1, 1993, to another
24 source of funding, or if moneys are transferred from the state
25 general fund to another fund or account, the state expenditure
26 limit committee, acting pursuant to RCW 43.135.025(5), shall lower
27 the state expenditure limit to reflect the shift. For the purposes
28 of this section, a transfer of money from the state general fund to
29 another fund or account includes any state legislative action taken
30 after July 1, 2000, that has the effect of reducing revenues from
31 a particular source, where such revenues would otherwise be
32 deposited into the state general fund, while increasing the
33 revenues from that particular source to another state or local
34 government account. This subsection does not apply to the
35 dedication or use of lottery revenues under RCW 67.70.240(3) or
36 property taxes under RCW 84.52.068, in support of education or
37 education expenditures.

38 (5) If the cost of any state program or function is shifted to
39 the state general fund on or after January 1, 2000, from another

1 source of funding, or if moneys are transferred to the state
2 general fund from another fund or account, the state expenditure
3 limit committee, acting pursuant to RCW 43.135.025(5), shall
4 increase the state expenditure limit to reflect the shift.

5 NEW SECTION. **Sec. 2.** This act takes effect January 1, 2006,
6 if an amendment to Article VII of the state Constitution, HJR 4209
7 (requiring supermajority legislative approval for tax increases),
8 is validly submitted to and is approved and ratified by the voters
9 at the next general election. If the proposed amendment is not so
10 approved and ratified, this act is null and void in its entirety."

EFFECT: Requires a 3/5 vote of both houses of the Legislature
before taxes may be increased. Takes effect if HJR 4209, which
would amend the state Constitution to require a 3/5 vote for
tax increases, is submitted to and ratified by the voters.