

SENATE BILL REPORT

SJR 8222

As of January 27, 2006

Title:

Brief Description: Establishing a rainy day reserve fund.

Sponsors: Senators Zarelli, Doumit, Hewitt, Sheldon, Parlette, Rasmussen, Stevens, Johnson, Finkbeiner, Schmidt, Pflug, Schoesler, Carrell, Esser, Mulliken, Benton, Deccio, Brandland, Honeyford, Oke, Benson and Roach.

Brief History:

Committee Activity: Ways & Means: 2/1/06.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Steve Jones (786-7440)

Background: Initiative 601, adopted by the voters in 1993, established by statute a State General Fund expenditure limit and created the Emergency Reserve Fund. The Emergency Reserve Fund receives all State General Fund revenues in excess of the state expenditure limit. Appropriations may be made from the Emergency Reserve Fund only by a two-thirds vote of the Legislature.

Summary of Bill: The State Constitution is amended to establish a Rainy Day Reserve Fund. Each year, one percent of general state revenues are deposited to the Rainy Day Reserve Fund. In any year in which employment in the state is forecasted to grow less than one percent, withdrawals may be made by a majority vote of the Legislature. Other withdrawals from the Rainy Day Reserve Fund may be made only by a three-fifths vote of the Legislature.

When the Rainy Day Reserve Fund exceeds ten percent of general state revenues, withdrawals may be made by a majority vote of the Legislature, subject to any statutory restrictions.

The Legislature may enact legislation to implement the Constitutional amendment (see Senate Bill 6471).

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: The Constitutional amendment takes effect on June 1, 2007.