
HOUSE BILL 1836

State of Washington

59th Legislature

2005 Regular Session

By Representatives McDonald, Alexander, Clements, Crouse, Schindler, Condotta, Ahern, Ericksen, Newhouse, Kristiansen, Nixon, Bailey, Hinkle, Talcott, Cox, Holmquist, Woods, Strow, Walsh, Dunn, Curtis, Shabro, Buri, Sump, Haler, Campbell, Pearson and McCune

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1 AN ACT Relating to a supermajority vote by the legislature to
2 increase taxes; reenacting and amending RCW 43.135.035; and providing
3 a contingent effective date.

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

5 **Sec. 1.** RCW 43.135.035 and 2001 c 3 s 8 and 2000 2nd sp.s. c 2 s
6 2 are each reenacted and amended to read as follows:

7 ~~(1) ((After July 1, 1995, any action or combination of actions by~~
8 ~~the legislature that raises state revenue or requires revenue neutral~~
9 ~~tax shifts may be taken only if approved by a two thirds vote of each~~
10 ~~house, and then only if state expenditures in any fiscal year,~~
11 ~~including the new revenue, will not exceed the state expenditure limits~~
12 ~~established under this chapter)) A tax increase may be imposed only by~~
13 ~~a favorable vote of three-fifths of the members of each house of the~~
14 ~~legislature, as provided in Article VII, section . . . of the state~~
15 ~~Constitution (HJR . . . (H-1180.2/05)).~~

16 (2)(a) If the legislative action under subsection (1) of this
17 section will result in expenditures in excess of the state expenditure
18 limit, then the action of the legislature shall not take effect until
19 approved by a vote of the people at a November general election. The

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

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

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

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

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

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

31 (4) If the cost of any state program or function is shifted from
32 the state general fund on or after January 1, 1993, to another source
33 of funding, or if moneys are transferred from the state general fund to
34 another fund or account, the state expenditure limit committee, acting
35 pursuant to RCW 43.135.025(5), shall lower the state expenditure limit
36 to reflect the shift. For the purposes of this section, a transfer of
37 money from the state general fund to another fund or account includes
38 any state legislative action taken after July 1, 2000, that has the

1 effect of reducing revenues from a particular source, where such
2 revenues would otherwise be deposited into the state general fund,
3 while increasing the revenues from that particular source to another
4 state or local government account. This subsection does not apply to
5 the dedication or use of lottery revenues under RCW 67.70.240(3) or
6 property taxes under RCW 84.52.068, in support of education or
7 education expenditures.

8 (5) If the cost of any state program or function is shifted to the
9 state general fund on or after January 1, 2000, from another source of
10 funding, or if moneys are transferred to the state general fund from
11 another fund or account, the state expenditure limit committee, acting
12 pursuant to RCW 43.135.025(5), shall increase the state expenditure
13 limit to reflect the shift.

14 NEW SECTION. **Sec. 2.** This act takes effect January 1, 2006, if an
15 amendment to Article VII of the state Constitution (requiring
16 supermajority legislative approval for tax increases, HJR (H-
17 1180.2/05)) is validly submitted to and is approved and ratified by the
18 voters at the next general election. If the proposed amendment is not
19 so approved and ratified, this act is null and void in its entirety.

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